

रजिस्टर्ड नं० एस०एम० 13.

The Under Secretary (SA),  
Himachal Pradesh,  
SIMLA-2.



12 NOV 1975

# राजपत्र, हिमाचल प्रदेश

हिमाचल प्रदेश राज्यशासन द्वारा प्रकाशित

खण्ड 23]

शिमला, शनिवार, 1 नवम्बर, 1975/10 कार्तिक, 1897

[संख्या 44

## विषय-सूची

भाग 1	वैधानिक नियमों को छोड़ कर हिमाचल प्रदेश के राज्यपाल और हिमाचल प्रदेश हाई कोर्ट द्वारा अधिसूचनाएं इत्यादि . . . . .	1378—1414 तथा 1468
भाग 2	वैधानिक नियमों को छोड़ कर विभिन्न विभागों के अध्यक्षों और जिला मैजिस्ट्रेटों द्वारा अधिसूचनाएं इत्यादि . .	1414—1417 तथा
भाग 3	अधिनियम, विधेयक और विधेयकों पर प्रवर समिति के प्रतिवेदन, वैधानिक नियम तथा हिमाचल प्रदेश के राज्यपाल, हिमाचल प्रदेश हाई कोर्ट, फाइनेंशियल कमिशनर तथा कमिशनर आफ इन्कम-टैक्स द्वारा अधिसूचित आदेश इत्यादि . . . . .	1468—1470 1418—1428
भाग 4	स्थानीय स्वायत्त शासन: म्युनिसिपल बोर्ड, डिस्ट्रिक्ट बोर्ड, नोटिफाइड और टाउन एरिया तथा पंचायत विभाग . .	—
भाग 5	वैयक्तिक अधिसूचनाएं और विज्ञापन . . . . .	1428 तथा 1470
भाग 6	भारतीय राजपत्र इत्यादि में से पुनः प्रकाशन . . . . .	1429—1467
भाग 7	भारतीय निर्वाचन आयोग (Election Commission of India) की वैधानिक अधिसूचनाएं तथा अन्य निर्वाचन सम्बन्धी अधिसूचनाएं . . . . .	—
—	अनुपूरक . . . . .	—

1 नवम्बर, 1975/10 कार्तिक, 1897 को समाप्त होने वाले सप्ताह में निम्नलिखित विज्ञप्तियां 'असाधारण राजपत्र, हिमाचल प्रदेश' में प्रकाशित हुईं:—

विज्ञप्ति की संख्या	विभाग का नाम	विषय
No. Home (A)-A(3)-24/75, dated the 23rd October, 1975.	Home Department	The Maintenance of Internal Security (Third Amendment) Ordinance, 1975.
No. 11-6/71-Coop(F&S)-II, dated the 23rd October, 1975.	Food and Supplies Department	The Himachal Pradesh Hoarding and Profiteering Prevention (Second Amendment) Order, 1975.
No. 7-4/75-E&T (Pt.) 25751-779, dated the 29th October, 1975.	Excise and Taxation Department	Closure of all the liquor vends throughout Himachal Pradesh on 3rd November, 1975.
No. 7-4/75-E&T (Pt.) 25780-25808, dated the 29th October, 1975.	-do-	Directing that 1st November, 1975 to be an open day for the sale of liquor.
No. 7-3/74-Housing, dated the 29th October, 1975.	Housing Department	Extending the term of the office of the Chairman and non-official members of the H. P. Housing Board for 3 months.
No. 7-3/74-Housing, dated the 29th October, 1975.	-do-	Reconstitution of the Himachal Pradesh Housing Board.
No. 1-10/73-Panch, dated the 29th October, 1975.	Panchayat Raj Department	Authorising certain officials to have access all the books, proceedings and records of the Gram Panchayat falling within their area of jurisdiction.
No. 4-2/71-C. D. R., dated the 29th October, 1975.	-do-	Amendments in the Himachal Pradesh Panchayat Samitis Rules, 1971.

# भाग 1—बंधानिक नियमों को छोड़ कर हिमाचल प्रदेश के राज्यपाल और हिमाचल प्रदेश हाई कोर्ट द्वारा अधिसूचनाएं इत्यादि

## हिमाचल प्रदेश सरकार

### PERSONNEL DEPARTMENT

#### NOTIFICATIONS

Simla-2, the 4th October, 1975

No. 1-29/72-DP(Apptt).—The Governor, Himachal Pradesh after consulting the Himachal Pradesh High Court, is pleased to extend the tenure of appointment of Shri R. K. Dharmani a member of Himachal Pradesh Administrative Service, to the Himachal Pradesh Judicial service on deputation basis upto the forenoon of 22nd July, 1975, on the same terms and conditions as contained in this Department's Notification No. 8-5/69-DP (Apptt), dated 4th November, 1971.

U. N. SHARMA,  
Chief Secretary.

Simla-171002, the 15th October, 1975

No. 10-7/73-DP-Apptt. (I).—In exercise of powers conferred by sub-section (1) of section 20 of the Code of Criminal Procedure, 1973, the Governor of Himachal Pradesh is pleased to appoint Shri S. S. Lath, General Assistant to Deputy Commissioner, Mandi, who has been detailed for temporary duty to Kulu during Dussehra Festival to be the Executive Magistrate with all the powers of an Executive Magistrate, under the said Code to be exercised within the local limits of Kulu district with effect from 13th October, 1975.

Sd/-  
Deputy Secretary.

Simla-171002, the 16th October, 1975

No. 1-3/75-DP-Apptt. (I).—The Governor, Himachal Pradesh is pleased to order the postings of the following Probationers of the Himachal Pradesh Administrative Service, on the completion of their training at the H. P. Institute of Public Administration, in public interest:—

Sl. No.	Name of Officer	Place of posting
1.	Shri Mohar Singh Thakur.	Land Acquisition Officer (BSL) Mandi.
2.	Shri Satpal Singh	Leave Reserve to D. C. Mandi (Settlement Training).
3.	Shri J. C. Thapar	S. D. M. Sarkaghat, Distt. Mandi (Vacant Post).
4.	Shri R. L. Mehta	Leave Reserve to D. C. Solan (Settlement Training).
5.	Shri J. C. Dutta	Assistant Settlement Officer, Kangra (Ex-cadre Post).
6.	Shri G. S. Chauhan.	Regional Transport Officer, Dharamsala (Vacant Post).

Sl. No. Name of Officer Place of posting

- |    |                      |  |
|----|----------------------|--|
| 7. | Shri D. C. Joshi     | Leave Reserve to D. C. Simla (Settlement Training).    |
| 8. | Shri P. R. Chaudhry. | Leave Reserve to D. C. Hamirpur (Settlement Training). |

U. N. SHARMA,  
Chief Secretary.

### CO-OPERATIVE DEPARTMENT

#### CORRIGENDUM

Simla-171002, the 16th October, 1975

No. Co-op. E(8)-54/74.—In this Department notification of even number, dated the 11th September, 1975, please read "The Sirmur District Co-operative Marketing and Supply Federation Limited." instead of "The Sirmur District Co-operative Federation" appearing in the fourth line of the said notification.

Sd/-  
Deputy Secretary.

### EDUCATION DEPARTMENT

#### NOTIFICATION

Simla-2, the 15th October, 1975

No. 1-147/69-Sectt. Edu. I.—The Governor, Himachal Pradesh, is pleased to retire Shri B. K. Raina, District Education Officer, Simla district, Simla, Himachal Pradesh on his attaining the age of superannuation, with effect from the 30th November, 1975 A.N.

By order,  
R. C. GUPTA,  
Secretary.

### EDUCATION DEPARTMENT

#### (TECHNICAL EDUCATION)

#### NOTIFICATIONS

Simla-2, the 15th October, 1975

No. EDN-II(TE)-G(1)20/75.—Whereas it appears to the Governor, Himachal Pradesh, that the land is required to be taken by the Himachal Pradesh Government at public expense for a public purpose, namely for the construction of Government Polytechnic at Sundernagar, District Mandi, Himachal Pradesh, it is hereby declared that land described in the specification below is required for the above purpose.

This declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894, to all whom it may concern and under the provisions of section 7 of the said Act, Land Acquisition Officer (Collector), Sub-Division Sundernagar, District Mandi, is

hereby directed to take order for acquisition of the said land.

Plan of the land may be inspected in the office of the Land Acquisition Officer (Collector), Sub-Division Sundernagar, District Mandi, Himachal Pradesh.

### SPECIFICATION

District: MANDI Tehsil: SUNDERNAGAR

Village	Khasra No.	Area Squire metres
HARIPUR	3930	14466.00
	3932	697.00
	3402	359.00
	3405	2351.00
	Total ..	17873.00

By order,  
B. B. TANDON,  
Secretary.

Simla-2, the 16th October, 1975

No. EDN-II-B(2)-2/75.—On the recommendation of

the Departmental Promotion Committee and with the approval of the Himachal Pradesh Public Service Commission, the Governor, Himachal Pradesh is pleased to appoint, on officiating basis, Shri Arjun Dev Ahuja, Drawing Instructor (Civil) in the pay scale of Rs. 200-450 plus Rs. 50 p. m. as special pay, Government Polytechnic, Hamirpur, as Lecturer in Civil Engineering in the pay scale of Rs. 400-1100 + Rs. 100 as special pay in the Government Polytechnic, Hamirpur.

B. B. TANDON,  
Secretary.

### FINANCE DEPARTMENT

#### CORRIGENDUM

Simla-171002, the 3rd October, 1975

No. 9-2/72-Fin(W&M)Vol.-II.—The Governor, Himachal Pradesh is pleased to nominate the Managing Director of the State Bank of Patiala (Punjab), in place of the Assistant General Manager of the said Bank whose name appears at serial No. 11 of the notification of even number, dated 20-9-1973, constituting State Level Co-ordination Committee on Banking.

By order,  
ANANG PAL,  
Commissioner for Finance and Secretary.

### FOREST DEPARTMENT

#### NOTIFICATIONS

Simla-171002, the 23rd September, 1975

No. 8-1/74-SF.—Whereas it is considered necessary that portion of the protected forests specified in the notification shall be closed or a period of 15 years and that the rights of private persons in or over such portion shall be suspended during such period for the purpose of regeneration and artificial restocking in order to check erosion; whereas the remainder of such forests is sufficient and in a locality reasonably convenient for the due exercise of rights suspended in the portion as closed and whereas it is further considered necessary to prohibit the doing of any or all the acts mentioned in clause (c) of section 30 of the Indian Forest Act, 1927.

Now, therefore, in exercise of the powers conferred by section 30 of the Indian Forest Act (XVI) of 1927, the Governor of Himachal Pradesh is pleased to declare that the portion of protected forests situated in Kunihar Forest Division as per schedule given below, shall be closed for a period of 15 years from the date of this notification and that the rights of private persons in or over such portions shall remain suspended during the said period of 15 years and he is further pleased to prohibit from the date of the notification:—

- the quarrying and removal of stone;
- the burning of lime and charcoal;
- the breaking up or clearing for cultivation, for building, for herding cattle or for any other purpose;
- grazing by all kinds of animals throughout the year;
- lopping and cutting of trees and bushes throughout the year;
- cutting of grass throughout the year;
- the collection or subjection to any manufacturing process or removal of any forest produce in or over or from the portion so closed.

Note.—Grass cutting may be permitted free to right-holders on permits on such terms and conditions as may be made and imposed at the discretion of the Divisional Forest Officer Kunihar.

### SCHEDULE

Tehsil: NALAGARH

Name of Range: NALAGARH

Sl. No.	Period	Name of Forest	Total area of Forest in Ha.	Area to be closed in Ha.	Kh. No.	Boundaries
1	15 years	Khol Nalagarh DF.	2598.037	1404.764	2 to 8, 10 to 15, 24, 34 to 37, 84/69, 85/70, 71 to 77.	North.—Village Maudiar-pur. East.—Norwal and Sirsa Nadi. West.—Village Lakhan-pur. South.—Khol-Dharam-pur DF.

## SCHEDULE

Tehsil: ARKI

Name of Range: ARKI

Sl. No.	Period	Name of Forest	Total area of Forest in hac.	Area to be closed hac.	Khasra Nos.	Boundaries
1.	15 years	Majha U.F.	152 hac.	31 hac.	798/784/323/2	North.—Boundary of the Forest Kanlah I. South.—Vill. Jal East.—Village Bowas. West.—Sumlach and Leaf.

By order,  
P. K. MATTOO,  
Secretary.

**GENERAL ADMINISTRATION DEPARTMENT**  
(B-SECTION)  
NOTIFICATION

Simla-171002, the 16th October, 1975

**No. 7-22/71-GAD. II.**—In supersession of all previous notifications in this regard the Governor, Himachal Pradesh is pleased to re-constitute the Executive Committee of Mountaineering Institute and Allied Sports, consisting of the following, in order to manage the affairs of the Mountaineering Institute and Allied Sports, Manali, in a more rational manner:—

- |     |  |                   |
|-----|--|-------------------|
| 1.  | The Chief Minister, H. P.  | Chairman          |
| 2.  | The Public Works Minister, H. P.                                       | Vice-Chairman     |
| 3.  | The Education Minister, H.P.   | Member            |
| 4.  | The Chief Secretary to H. P. Govt.                                     | -do-              |
| 5.  | The Secretary (Finance) to H. P. Govt.                                 | -do-              |
| 6.  | The Secretary (Education) to H. P. Govt.                               | -do-              |
| 7.  | The Secretary (Tourism) to H. P. Govt.                                 | -do-              |
| 8.  | The Secretary (Planning) to H. P. Govt.                                | -do-              |
| 9.  | The Commissioner, Transport & Tourism H. P.                            | -do-              |
| 10. | The Inspector General of Police, H.P.                                  | -do-              |
| 11. | The Chief Engineer (N) H.P. P.W.D.                                     | -do-              |
| 12. | The Managing Director, Tourism, Dev. Corporation, Simla.               | -do-              |
| 13. | The Chief Conservator of Forests, H. P.                                | -do-              |
| 14. | The Deputy Commissioner, Kulu, H.P.                                    | -do-              |
| 15. | The Director, Mountaineering Institute and allied Sports, Manali, H.P. | -do-              |
| 16. | The Joint Secretary (GAD) to H. P. Govt.                               | Member-Secretary. |

The functions of the Committee will be to advise the Government in the working of the Institute and to suggest ways and means for bringing further improvements in its working and also to stream line its affairs by way of strengthening the personnel and whether present organisational set-up required Modification etc.

By order,  
U. N. SHARMA,  
Chief Secretary.

**HORTICULTURE DEPARTMENT**  
NOTIFICATION

Simla-2, the 4th October, 1975

**No. 16-29/74-Hort. Sectt.**—On the recommendations of the Himachal Pradesh Public Service Commission, the Governor, Himachal Pradesh, is pleased to appoint Shri Rajinder Pal Sharma, to the temporary post of Assistant Analytical Officer in the Class II (Gazetted scale of Rs. 350-25-500-30-590/30-830-35-900 in the Directorate of Horticulture, Himachal Pradesh, Simla on the terms and conditions contained in this Department memorandum of even number, dated the 8th September, 1975, with effect from 19th September, 1975 (fore-noon), until further orders.

2. Shri Rajinder Pal Sharma will be on probation for a period of 2 years with effect from 19th September, 1975.

S. M. VERMA,  
Under Secretary.

**HEALTH & FAMILY PLANNING DEPARTMENT**

## NOTIFICATION

Simla-171002, the 16th October, 1975

**No. 1-38/75-H&FP.**—On the recommendations of Himachal Pradesh Public Service Commission, the Governor, Himachal Pradesh, is pleased to appoint Dr. Subhash Chand as Dental Surgeon in the scale of Rs. 400-30-700 EB 40-1100 with effect from 30-6-1975 (F.N.). He will be on probation for a period of two years.

HARI SINGH,  
Deputy Secretary.

**INDUSTRIES DEPARTMENT**

## NOTIFICATION

Simla-2, the 18th February, 1975

**No. 4-15/71-SI(Corp.).**—The Governor of Himachal Pradesh is pleased to order publication of Annual Reports, and Accounts for the years 1972-73 and 1973-74 of Himachal Pradesh Financial Corporation in the Official Gazette as required under sub-section (3) of section 38 of the State Financial Corporations' Act, 1951.

By order,  
P. K. MATTOO,  
Secretary.



# HIMACHAL PRADESH FINANCIAL CORPORATION

Head Office: Kishore Bhawan, 1st Floor  
The Mall, Simla-1

SIXTH ANNUAL REPORT 1972-73  
31st March, 1973

## BOARD OF DIRECTORS

1. Shri K. N. Channa, I.A.S.,  
*Chairman.* } Nominated by the State Government.
2. Shri P.K. Mattoo, I.A.S. }
3. Shri M. L. Jain }
4. Shri Sudarshan Lal } Nominated by the Reserve Bank of India.
5. Shri C.L. Madhok } Elected to represent Scheduled Banks.
6. Dr. K. C. Varshney } Nominated by the Industrial Development Bank of India.
7. Shri Pancham Chandra } Elected to represent Co-operative Banks.
8. Shri A.P. Banda } Elected to represent Insurance Companies, Investment Trusts and other financial institutions (excluding Scheduled Banks and Co-operative Banks).
9. Shri Jishan Lal Kuthiala } Elected by parties referred to in clause (d) of sub-section (3) of section 4 of the State Financial Corporations Act, 1951.
10. Dewan Gobind Sahai } Managing Director appointed by the State Government.

## NOTICE

In pursuance of Regulation 24 read with Regulation 37 of the General Regulations of the Corporation, it is hereby notified that the Sixth Annual General Meeting of the Shareholders of the H.P. Financial Corporation will be held at the Head Office of the Corporation, at Kishore Bhawan, The Mall, Simla, on Friday, the 22nd June, 1973 at 3.00 p.m. (Standard Time) to transact the following business:—

“To read and consider the Balance Sheet and the Profit and Loss Account of the Corporation for the year ended on 31st March, 1973 together with the report of the Board of Directors on the working of the Corporation for that year and the Auditor's Report(s) on the said Balance Sheet and Accounts.”

It is further notified that the Share Register of the Corporation will remain closed and the registration of transfers suspended from 24th May, 1973 to 22nd June, 1973 (both days inclusive).

- Notes.— (i) This lists of Shareholders shall be available for purchase from the Head Office of the Corporation at a price of Re. 1/- (Rupee one) per copy from 31st May, 1973.
- (ii) The last date for the deposit of proxies shall be 14th June, 1973.
- (iii) The last date for the deposit of certified copies of resolutions appointing duly authorised representatives by companies including Co-operative Banks shall be 16th June, 1973.

- (iv) The written order of the State Government authorising any of its officers to act as its representative to be deposited before the time fixed for the meeting.

By order of the Board  
GOBIND SAHAI,  
Managing Director.

SIMLA;

Dated the 7th May, 1973.

## REPORT OF THE BOARD OF DIRECTORS of the

## HIMACHAL PRADESH FINANCIAL CORPORATION

For the year ended on 31st March, 1973

(Under section 36 of the State Financial Corporations Act, 1951).

The Board of Directors present herewith the sixth annual report on the working of the Corporation together with the Audited Statement of Accounts for the year ended 31st March, 1973.

## REVIEW OF OPERATIONS DURING THE YEAR

Sustained and all round rise in the sanctioning of the advances and other financial assistance was achieved during the year 1972-73. Aggregate financial assistance sanctioned during the year 1972-73 was Rs. 1,06,53,550/- which is substantially higher at 20% over the sanctions of 1971-72.

The Corporation has for the first time crossed Rupees One Crore a year figure in sanctioning of loans. As a result the aggregate sanctions since the inception of the Corporation went upto Rs. 341.49 lacs. Till 1971-72 average sanctions worked out to Rs. 47 lacs a year which improved considerably during the year under report. Since its inception, the Corporation has sanctioned 369 applications which include 108 applications for the year 1972-73. However, due to restrictions on the supply of vehicles from the manufacturers throughout the country, the overall disbursements made during the year gave a marginal rise in aggregate disbursement over the previous year.

Since the disbursement of industrial loans invariably depend on the progress in the execution of assisted projects and completion of various formalities, the pace of disbursements as compared to sanctions remained low. Besides a large part of the loans were sanctioned in later half of the year and hence only a small proportion of disbursement could be effected towards these sanctions.

## POSITION OF APPLICATIONS, SANCTIONS AND DISBURSEMENT OF LOANS

The greatest break through during the year has been the amendments to the State Financial Corporations Act, 1951 which have widened the scope of work of the Corporations and enhanced the limit of accommodation to companies and co-operative societies upto Rs. 30 lacs and in other cases upto Rs. 15 lacs instead of Rs. 20 lacs and Rs. 10 lacs respectively.

Apart from the above the World Bank has agreed to advance foreign currency loans through the International Bank of Reconstruction and Development to the Industrial Development Bank of India who would refinance SFCs loans which cover an elemental expenditure in foreign currency. Certain operational guidelines

have been suggested in this behalf by the Reserve Bank of India to the Corporation which are being considered in order to avail of the said facility.

The Corporation continued to entertain applications for loans from Rs. 10,000 to Rs. 10 lacs from concerns other than those organised as Public Limited Companies and Registered Co-operative Societies and upto Rs. 20 lacs from Public Limited Companies and Registered Co-operative Societies till December, 1972 and on enhanced limits thereafter as per the amendment of the State Financial Corporations Act, 1951.

The Corporation, during the year under review, received 137 applications for the aggregate amount of Rs. 163.62 lacs (including 6 applications for additional loan from existing loanees for an amount of Rs. 3.63 lacs) which together with those pending at the close of the last year made a total of 180 applications for Rs. 234.98 lacs from variety of industries such as Hotels, Transport, Chemicals, Stone Quarrying, Steel Re-rolling Mill,

Cement Products and Rubber Products, etc.

During the year 1972-73 the Corporation considered 139 applications for Rs. 1,14,30,725. Disbursement of Rs. 44,45,655.37 was effected against our new sanctions and a sum of Rs. 16,89, 748.88 was disbursed against our old sanctions thus making total disbursement of Rs. 61,35,404.25. Adding disbursement of Rs. 1,42,67,459.57 upto 31st March, 1972 the total disbursement at the close of the year stood at Rs. 2,04,02,863.82.

Industry-wise statements based on the International Standard of Industrial Classification showing applications received, sanctioned, rejected, withdrawn or lapsed and the amount actually disbursed to the respective industries upto 31st March, 1972 and from 1st April, 1972 to 31st March, 1973, are separately given in Appendix B Part I and II. However, the position of applications for the year under review as also the cumulative figures at the close of the year are given in the following table:—

Particulars	Small Scale		Others		Total	
	No.	Amount	No.	Amount	No.	Amount
		Rs.		Rs.		Rs.
Applications pending at the beginning of the year	43	71,36,050.00	—	—	43	71,36,050.00
Total applications received	136	1,43,61,525.00	1	20,00,000.00	137	1,63,61,525.00
Total applications sanctioned	108	1,06,53,550.00	—	—	108	1,06,53,550.00
Total applications rejected	5	2,19,500.00	—	—	5	2,19,500.00
Total applications withdrawn, lapsed, closed etc.	26	52,27,250.00	—	—	26	52,27,250.00
Total applications less sanctioned	26	5,57,675.00	—	—	26	5,57,675.00
Total applications pending	40	48,39,600.00	1	20,00,000.00	41	68,39,600.00
Loans sanctioned (effective)	295	2,47,52,736.58	2	2,76,450.00	297	2,75,17,236.58
Loans disbursed	305	1,76,38,363.82	2	27,64,500.00	307	2,04,02,863.82

Amount-wise, industry-wise, district-wise and constitution-wise classifications of loans upto 31st March, 1973, is given in appendices 'C', 'D', 'E' and 'F' respectively.

The following statement will show at a glance the net results of the working of the Corporation upto the year 31st March, 1973:—

	Rs.
Loan sanctioned upto 31st March, 1973	3,41,48,807.00
Less sanctions declined/cancelled/withdrawn	53,52,089.58
Effective sanctions	2,78,96,717.42
Less-Loans disbursed to 307 concerns	2,04,02,863.82
Balance of loan commitments	83,93,853.60
Total loans outstanding as on 31st March, 1973	1,61,22,459.88

At the end of the year 41 applications for an aggregate amount of Rs. 68.40 lacs were pending for consideration.

Efforts are being made through the various developmental agencies in the Pradesh to familiarise masses about the activities of the Corporation in order to gain more business.

It will be seen from the above that 137 number of loan proposals received during the year have registered a marginal decrease over the figure of 155 during the previous year. The decrease is mainly due to non-availability of Chasis for transport Industry. The gross sanction of 108 loans for amounts aggregating to Rs. 106.54 lacs is highest so far. The sanctions withdrawn/reduced

were largely in respect of industries other than transport and were occasioned mainly because either the parties were not serious in implementing the schemes or could not comply with the terms and conditions of the loans.

As compared to last year the lending operations of the Corporation had two distinct features; firstly, the transport loans from a substantial part of operations and secondly, assistance to small industries including hotels has increased considerably.

The figures of outstanding loans and advances other than transport loans might register an appreciable increase during the next year as the incentives announced by the State Government are also being made available to the concerns and a survey report conducted by the I.D.B.I. has also been received which is going to open new avenues in the Pradesh for the entrepreneurs who are interested in the establishment of industries in the Pradesh.

In addition, the amendment of State Financial Corporations Act, 1951 which has widened the operations of the Corporation would play a vital role in the increase of business.

The Central Government has also announced an important concession to the entrepreneurs who are interested in establishing their units in backward districts for 10% subsidy of the fixed cost.

The year under report has been a year of new hopes, added attraction for the future and laying down firm foundations for future progress.

## RATE OF INTEREST

The present lending rate structure of the Corporation came into force with effect from 10th March, 1971 and no change in the same was effected during the year under review.

(a) In respect of loans to Small Scale Industries other than Hotels and Transport including loans for working capital:

4% above the bank rate with a minimum of 10% per annum with 1/2% rebate for prompt payment of principal and interest on the due dates, the rebate will be 1-1/2% from the date of refinance provided the refinance loans are sanctioned by the I.D.B.I. at concessional rate of 5%.

(b) In respect of loans to Industries other than Small Scale Industries:

4% above the bank rate with a minimum of 11% per annum with 1/2% rebate for prompt payment of principal and interest on due dates.

(c) In respect of loans to Hotels:

4% above the bank rate with a minimum of 10-1/2% per annum with 1/2% rebate for prompt payment of principal and interest on due dates.

(c) In respect of loans to Transport Industry:

(1) Public carriers (New): 4% above the rate with a minimum of 13% per annum with 2% rebate for prompt payment of principal and interest on due dates, the rebate may be 2.75% from the date of refinance.

(2) Public carriers (OLD): 4% above the bank rate with a minimum of 13-1/2% per annum with a rebate for 2% for prompt repayment of principal and interest.

## MARGIN

During the year under review, no change in the margin retained by the Corporation against the security was made and the same stood as under:—

1. Medium Scale Industries .. 30%
2. Small Scale Industries .. 25%
3. Hotel Industry .. 40%
4. Transport Industry .. 20% against chassis and 50% against body (20% in case the body is fabricated within Himachal Pradesh).
5. Loans exclusively for working capital .. 50%.

All loans to Small Scale Industries were got guaranteed from the Credit Guarantee Organisation and guarantee fee was paid by the Corporation. Similarly eligible loans to the transport industry were got guaranteed from the Credit Guarantee Corporation of India (subsidiary of Reserve Bank of India) and the guarantee commission was charged from the borrowers the rate being 1/2% per annum.

## Loans for Working Capital:

The loans exclusively for working capital continued to be advanced on merits in deserving cases and the same were primarily secured against block assets on 50% margin and the amount in no case exceeded 25% of the total scheme.

## Repayments:

An amount of Rs. 204.03 lacs stands disbursed to 307 units since the inception of the Corporation. According to the schedule of repayment of principal, the total amount which fell due during the year under review was Rs. 43.47 lacs. The actual repayment of principal

however, amounted to Rs. 27.93 lacs.

The cumulative defaults of principal at the close of the year under review amounted to Rs. 27.68 lacs. In some cases, taking into consideration the difficulties of the parties which were not in a position to clear the accumulated arrears, even re-scheduling of loans have been done.

As against the amount of Rs. 13.82 lacs towards interest which fell due during the year and sum of Rs. 3.28 lacs was carried over from the previous year, an amount of Rs. 11.58 lacs was received and the amount in default was Rs. 5.52 lacs at the close of the year. Further, a sum of Rs. 3.88 lacs accrued as interest on the total advance during the year but this amount actually falls due for repayment after the 31st March, 1973. The Statement given below shows the comparative figures of repayments and defaults:—

	Principal	Interest
Arrears outstanding at the beginning of the year	12,14,216.88	3,27,995.91
Amount due during the year	43,47,003.09	13,81,945.83
	55,61,219.97	17,09,941.74
Amount received during the year	27,92,978.93	11,57,782.35
Arrears at the close of the year	27,68,241.04*	5,52,159.39**

\*This amount also includes a sum of Rs. 9,206.83 received in the first week of April, 1973 within the grace period. A sum of Rs. 17,000.00 which fell due during last year but deferred during that year has now been accounted for. An amount of Rs. 8,750.00 shown as default at the close of the last year has now been excluded as a result of re-scheduling.

\*\* This amount also includes a sum of Rs. 2,861.17 received in the first week of April, 1973, within the grace period.

## Industry-wise classification of defaults

Industry	No. of units	Defaults as on 31-3-1973	Principal	Interest
			Rs.	Rs.
(i) Cement products	1	—	—	3,034.15
(ii) Chemicals	3	75,349.10	98,112.98	—
(iii) Cold storage	1	1,28,265.85	13,103.57	—
(iv) Composite units	9	91,795.22	20,259.87	—
(v) Food	3	1,02,955.80	48,875.30	—
(vi) Hotels	16	9,90,723.20	1,62,424.09	—
(vii) Metal products	3	1,08,000.00	25,444.37	—
(viii) Mining	2	1,37,758.46	4,090.72	—
(ix) Printing Press	2	49,800.00	6,178.38	—
(x) Textiles	1	9,61,179.65	1,47,729.59	—
(xi) Transport	47	1,13,236.93	20,045.20	—
TOTAL	88	27,59,064.21	5,49,298.22	—

Less amount in respect of recalled cases	12	22,04,930.00	3,36,159.71
Balance effective defaults	76	5,54,134.21	2,13,138.51

All the amounts of loans were reviewed by the Board and

no case was considered as doubtful of recovery.

#### Post-sanction Inspection:

During the year under review, due post-sanction inspections of all the units were conducted. The reasons for non-utilisation of capacities, non-availability of power and other inherent difficulties came to the knowledge during these post-sanction inspections and action was taken wherever felt necessary.

#### Sub-vention:

It is commendable to note that Corporation's results have been too good to call for any sub-vention for the year under review, despite the fact that paid-up capital was raised to 61 lacs from Rs. 50 lacs of the last year.

#### Raising of Additional Funds:

#### REFINANCE

It is a matter of gratification that liquidity position of the Corporation throughout the year remained very satisfactory. Besides the realisation of principal and interest from the loanee concerns, the Corporation took full advantage of refinance facility offered by I.D.B.I. which became a very handy source for augmenting the resources of the Corporation.

During the year under review, the Corporation approached the Industrial Development Bank of India for refinance of 84 cases for Rs. 61.59 lacs which together with those 14 cases pending at the close of last year made a total of 98 applications for Rs. 68.94 lacs. The Corporation availed of refinance to the extent of Rs. 33,65,734.00 during the year under review. The balance amount would be availed of as and when necessity arises. At the close of the year 3 applications for Rs. 15.25 lacs were under consideration with the Industrial Development Bank of India. The above position has been summed up as under:—

	No.	Amount
(i) No. of application pending with IDBI at the beginning of the year:		
Small Scale ..	—	—
Transport: ..	14	7,34,400.00
Others; ..	—	—
	14	7,34,400.00
(ii) No. of applications submitted to the IDBI during 1972-73:		
Small Scale ..	6	18,00,000.00
Transport ..	78	43,59,250.00
Others ..	—	—
	84	61,59,250.00
(iii) Refinance sanctioned:		
Small Scale ...	3	2,75,000.00
Transport ..	89	49,21,350.00
Others ..	—	—
	92	51,96,350.00
(iv) Refinance availed of:		
Small Scale ..	1	4,26,000.00
Transport ..	(1)	98,000.00
Others ..	65+(3)	28,41,734.00
	66+(4)	33,65,734.00

Note.—Figures in brackets indicate the partially

disbursed cases of previous years.

(v) No. of applications lapsed, withdrawn or rejected:

Small Scale ..	—	—
Transport ..	3	1,72,300.00
Others ..	—	—
	3	1,72,300.00

(vi) No. of applications pending with the Industrial Development Bank of India:

Small Scale ..	3	15,25,000.00
Transport ..	—	—
Others ..	—	—
	3	15,25,000.00

The total refinance availed of by the Corporation upto 31st March, 1973 amounted to Rs. 83,04,603.89 and the balance outstanding stood at Rs. 65,69,089.89.

#### ANNUAL ACCOUNTS

During the year 1972-73 the working of the Corporation resulted in a net profit of Rs. 7,21,912.92. The following appropriations have been made out of the profits in the balance sheet resulting in the available balance of Rs. 1,83,000.00:—

	Rs.
(i) General Reserve Fund ..	20,000.00
(ii) Special Reserve for the purpose of Section 36(1)(viii) of Income Tax Act, 1961 ..	1,45,771.71
(iii) Reserve for bad and doubtful debts ..	36,408.21
(iv) Provision for taxation ..	3,36,733.00
Balance available ..	1,83,000.00

The Board of Directors have declared a dividend at the rate of 3% per annum per share on 61,000 shares of Rs. 100 each for the current year. A sum of Rs. 1,83,000 is payable as dividend on entire paid up share capital which amount is available out of our net profit after providing for statutory reserves. It would thus be observed that the Corporation has earned adequate net profits during the period under review to meet all its liabilities.

A statement showing figures of net profits and their appropriations is attached at Appendix 'A'.

#### AUDITORS

1. M/s Seth Taneja and Company, Chartered Accountants, 7/1, The Mall, Simla Appointed by the State Government in consultation with the Comptroller and Auditor General of India.
2. M/s Walker Chandio and Company, Chartered Accountants, New Delhi. Elected by the parties referred to in clauses (c) and (d) of sub-section 3 of Section 4 of the State Financial Corporations Act, 1951, in the Annual General Meeting of the Shareholders held on 22nd June, 1972.

M/s Walker Chandio and Company, Chartered Accountants, New Delhi retire at the end of the year according to the latest amendment in the State Financial



Corporations Act, 1951 hereafter Shareholders are not entitled to elect auditors.

1973, was as under :—

## MANAGEMENT

### Board of Directors:

Since the publication of the last Annual Report, some changes have taken place in the constitution of the Board of Directors. Shri N. N. Verma, Regional Manager, Punjab National Bank, Chandigarh was elected as Director in place of Shri Y. Prasher, retired. But Shri N. N. Verma also subsequently resigned on account of his transfer to Madras and in his place Shri C.L. Madhok, Regional Manager, Punjab National Bank, Jullundur was elected as Director to represent the scheduled Banks. Shri P. S. Gurung, Chief Technical Officer was nominated by the Industrial Finance Corporation of India vice Shri R. B. Mathur but Shri Gurung also seized to be as a Director due to the amendment of the State Financial Corporations Act, 1951 which provided the nomination of a Director by the Industrial Development Bank of India instead of the Industrial Finance Corporation of India. Accordingly the Industrial Development Bank of India nominated Dr. K. C. Varshney, Deputy Manager (Technical), I.D.B.I., New Delhi as Director in place of Shri P.S. Gurung of the I.F.C.

### Chairman:

Shri K. N. Channa continued to hold office of the Chairman of the Corporation.

### Executive Committee:

In terms of the State Financial Corporations Act, 1951, the Executive Committee of the Corporation at the close of the year consisted of the following Directors:—

1. Dewan Gobind Sahai	Chairman
2. Shri Sudarshan Lal	Director
3. Shri M. L. Jain	Director
4. Shri Jishan Lal Kuthiala	Director.

### Board Meetings:

The Board held five meetings during the year under review at the head office of the Corporation.

### Executive Committee and Advisory Committee Meetings:

The Executive Committee and Advisory Committee held four meetings each during the year under review.

### Staff Committee:

Staff Committee, consisting of the following Directors was constituted to consider the staff cases and the Committee held two meetings during the year under review:

1. Dewan Gobind Sahai	Chairman
2. Shri M. L. Jain	Member
3. Shri Sudarshan Lal	Member.

## DISTRIBUTION OF SHARES

During the year under review, five transfers/transmissions of shares were made involving 85 shares. The position regarding the shares of the Corporation held by different categories of shareholders as on 31st March,

Number of  
shareholders  
in the class

Number of  
shares  
held

1. Himachal Pradesh Government	1	54,255
2. Reserve Bank of India	1	2,310
3. Scheduled Banks	2	2,800
4. Co-operative Banks	1	5
5. Insurance companies, investment trusts and other financial institutions (excluding scheduled banks and co-operative banks)	3	1,245
6. Parties referred to in clause (d) of sub-section (3) of section 4 of the Act	24	385
Total	32	61,000

### Reserves:

In terms of section 35(1) of the State Financial Corporations Act, 1951, the Corporations are required to establish a Reserve Fund. The act does not specifically prescribe the quantum of allocation to be made to the Reserve Fund every year. In the absence of specific provision and also owing to the fact that the Corporation is not depending on subvention from the State Government for the payment of guaranteed dividend for the year under review, the quantum of allocation to the Reserve Fund by the Corporation has so far been determined on *ad hoc* basis. The Corporation is engaged in providing medium and long term loans and the nature of its business involves considerable risk. The reserves so far created by the Corporation have not reached the maximum limit prescribed by the Act. The reserves as at the close of the business on the 31st March, 1972 stood as follows:

	Rs.
General Reserve Fund under Section 35(1) of the State Financial Corporations Act	32,588.88
Special Reserve Fund under sections 35(A) of the State Financial Corporations Act	3,19,692.00
Special Reserve for purpose of Income Tax Act under section 36(1)(viii)	3,92,402.41
Reserve for Bad and Doubtful debts	54,430.80
	7,99,114.09

Under section 35A of the State Financial Corporations Act, 1951 as amended, the Corporation may establish a Special Reserve Fund, to which shall be transferred such portion of the dividends accruing to the State Government, the Reserve Bank and the Development Bank on the share of the Financial Corporation as may be fixed by agreement between the State Government, the Reserve Bank and the Development Bank provided that the total amount in the said Fund shall at no time exceed twenty Five per cent of the paid up capital of the Financial Corporation. During last year the State Government and Reserve Bank of India granted general permission to the Corporation to transfer the amount of dividend accrued to them to the Special Reserve Fund till the amount in the fund reached the level of 25% of the paid



up capital. Accordingly, a sum of Rs. 1,36,695.00 accrued to the State Government and Reserve Bank of India for this year 1971-72 was transferred to this fund.

As already stated above the Board of Directors have made the following appropriations with a view to strengthen the Various Reserve Funds:

	Rs.
General Reserve Fund ..	20,000.00
Special Reserve for purpose of sections 36(1)(viii) of Income Tax Act ..	1,45,771.71
Reserve for Bad and Doubtful Debts ..	36,408.21

To sum up, the various Reserve Funds of the Corporation now stand as under:

	Rs.
General Reserve Fund under section 35 of the State Financial Corporations Act ..	52,588.88
Special Reserve under section 35(A) of the SFC Act ..	4,56,387.00
Reserve for Bad and Doubtful Debts ..	90,839.01
Special Reserve for purposes of section 36(1)(viii) of the Income Tax Act ..	5,38,174.12

To this amount will be added another amount of Rs. 1,69,695.00 as Special Reserve Fund under section 35(A) of the Act after the dividend has been declared at the Annual General Meeting in June, 1973.

The total reserves are, therefore 21.5% of the paid up capital of the Corporation as against 18.7% in the previous year, which is quite satisfactory.

### GENERAL

The Board takes this opportunity to place on record its appreciation of the co-operation and assistance received from the Government of Himachal Pradesh, Reserve Bank of India, Industrial Development Bank of India, Life Insurance Corporation of India, Industrial Financial Corporation of India and other financial institutions particularly State Bank of India and Punjab National Bank. The Board would also like to place on record its appreciation of the hard, honest and sincere work of Dewan Gobind Sahai, Managing Director which has enabled the Corporation to achieve highly satisfactory results.

The Board has great pleasure in appreciating the services of members of the staff and officers of the Corporation. In appreciation of good results achieved by the Corporation, the Board has granted to the officers including the Managing Director and the staff of the Corporation an *ex-gratia* good performance reward equivalent to 20% of the pay.

By order of the Board,  
GOBIND SAHAI,  
Managing Director.

### APPENDIX "A"

Statement showing the figures of Net Profits and their appropriations upto 31st March, 1973

Year	Net profit	Balance transferred by PFC on re-organisation	Total	Transferred to Reserve Fund	Transferred to Special Reserve Fund	Transferred to Bad and Doubtful Debts Reserve	Transferred to Investment Reserve	Transferred to Gratuity Reserve	Provision for Taxation	Amount available for Guaranteed Dividend	Net deficit for Guaranteed Dividend
1	2	3	4	5	6	7	8	9	10	11	12
1967-68	81,459.82	25.99	81,485.81	5,000.00	20,364.95	2,000.00	1,000.00	1,000.00	33,600.00	18,520.86	16,159.14
1968-69	1,05,195.61	—	1,05,195.61	5,000.00	26,298.90	—	—	1,000.00	43,393.00	29,503.71	45,496.29
1969-70	1,07,054.28	—	1,07,054.28	5,000.00	26,764.00	1,000.00	—	1,000.00	49,668.00	23,622.28	51,377.72
1970-71	2,91,616.12	—	2,91,616.12	8,096.12	66,610.00	2,000.00	—	—	1,09,910.00	1,05,000.00	—
1971-72	4,61,844.37	—	4,61,844.37	4,758.37	93,114.00	4,000.00	—	—	2,09,972.00	1,50,000.00	—
1972-73	7,21,912.92	—	7,21,912.92	20,000.00	1,45,771.71	36,408.21	—	—	3,36,733.00	1,83,000.00	—

### APPENDIX "B"—(PART I)

Statement showing Loan applications received, sanctioned, rejected, withdrew or lapsed and amounts actually disbursed industry-wise (based on international classification of all economic activities) by the Himachal Pradesh Financial Corporation upto the year ended 31st March, 1973

S. No.	Type of Industry	No. of application received	Amount	No. of applications sanctioned	Amount	No. of applications rejected	Amount	No. of applications lapsed	Amount	No. of applications disbursed	Amount
1	2	3	4	5	6	7	8	9	10	11	12
1.	Cement Products	3	3,00,000.00	1	1,00,000.00	—	—	—	—	—	—
2.	Chemicals	12	39,15,000.00	8	27,60,000.00	—	—	1	25,000.00	5	18,39,250.00
3.	Cold Storage and Ice Factory	2	7,00,000.00	2	6,75,000.00	—	—	—	—	1	1,30,000.00
4.	Engineering Goods	4	5,16,250.00	1	1,50,000.00	—	—	1	1,00,000.00	—	—
5.	Film Studio	1	10,00,000.00	—	—	—	—	1	10,00,000.00	—	—
6.	Food manufacturing	13	25,25,000.00	8	9,77,400.00	2	1,15,000.00	—	—	4	8,47,000.00
7.	Hotel	58	72,55,000.00	39	46,66,000.00	2	2,05,000.00	15	10,49,000.00	21	19,55,000.00
8.	Metal Products	14	52,57,549.00	8	27,50,000.00	1	50,000.00	4	12,72,549.00	3	6,54,815.16
9.	Mining and Stone crushing	11	14,13,000.00	5	7,75,100.00	—	—	8	5,10,000.00	2	3,30,000.00
10.	Plastic Industry	1	20,00,000.00	—	—	—	—	—	—	—	—
11.	Printing Press	3	1,30,000.00	3	1,23,000.00	—	—	1	20,00,000.00	3	1,18,752.95
12.	Rubber Products	1	9,00,000.00	—	—	—	—	—	—	—	—
13.	Stationery	1	1,00,000.00	—	—	—	—	1	1,00,000.00	—	—
14.	Stone Quarrying	2	90,000.00	—	—	—	—	—	—	—	—
15.	Textiles	2	22,00,000.00	1	20,00,000.00	—	—	1	2,00,000.00	1	10,641.00
16.	Transport	222	1,00,08,377.00	178	78,33,257.00	—	—	20	9,81,100.00	167	70,61,741.46
17.	Wood working and Composite units	20	12,14,330.00	12	6,85,500.00	2	87,780.00	4	1,13,000.00	7	2,66,400.00
TOTAL		370	3,60,21,006.00	266	2,34,95,257.00	7	4,57,780.00	57	73,50,649.00	214	1,42,67,459.57

## APPENDIX "B" (PART II)

Statement showing the Loan applications received, sanctioned, rejected, lapsed and amount actually disbursed Industry-wise (Based on International Standard Classification of all Economic activities) for the year, 1972-73

S.No.	Type of Industry	No. of applications received	Amount	No. of applications sanctioned	Amount	No. of applications rejected	Amount	No. of applications lapsed	Amount	No. of applications disbursed	Amount
1	2	3	4	5	6	7	8	9	10	11	12
1.	Cement Products	1	1,85,000.00	2	1,75,000.00	—	—	1	1,85,000.00	1	87,400.00
2.	Chemicals	3	9,00,000.00	2	6,90,000.00	—	—	2	9,50,000.00	1	31,000.00
3.	Engineering goods	—	—	—	—	—	—	2	2,66,250.00	—	—
4.	Fertilizers	1	20,00,000.00	—	—	—	—	—	—	—	—
5.	Food manufacturing	1	2,81,000.00	2	3,81,000.00	—	—	1	3,00,000.00	1	1,30,000.00
6.	Hotel	6+ (2)	6,83,200.00	2+2	2,03,200.00	—	—	4	15,30,000.00	5	2,55,821.16
7.	Metal Products	11+ (2)	50,26,375.00	9+ (1)	45,30,000.00	(1)	10,000.00	2	4,50,000.00	7	16,51,528.21
8.	Mining and stone crushing	5+ (1)	6,76,000.00	3+ (1)	2,76,000.00	—	—	—	—	3	2,69,000.00
9.	Paper	1	4,50,000.00	—	—	—	—	—	—	—	—
10.	Rubber Products	1	5,60,000.00	1	4,65,000.00	—	—	1	9,00,000.00	—	—
11.	Service Station	1	80,000.00	—	—	—	—	—	—	—	—
12.	Transport	93+ (1)	46,54,950.00	77+ (1)	37,72,350.00	4	2,09,500.00	12	6,26,000.00	75	36,07,000.00
13.	Wood working and Composite units	7	8,65,000.00	5	1,61,000.00	—	—	1	20,000.00	4	1,03,654.88
Total		131+ (6)	1,63,61,525.00	103+ (5)	1,06,53,550.00	4+ (1)	2,19,500.00	26	52,27,250.00	97	61,35,404.25

Note.—Figures in brackets indicate the additional loans disbursed to the existing concerns either sanctioned in previous year or during the year.

## APPENDIX "C"

Amount-wise Classification of Loans and Advances as on 31st March, 1973

Loans from		Sanctioned upto 31st March, 1972		Sanctioned during 1972-73	
		Nos.	Amount	Nos.	Amount
Rs.	Rs.		Rs.		Rs.
1. 10,000 to 25,000		39	7,85,220.00	19	3,37,100.00
2. 25,001 to 50,000		118	48,93,016.00	16	6,62,700.00
3. 50,001 to 1,00,000		66	41,48,021.00	59	36,41,150.00
4. 1,00,001 to 2,00,000		12	18,00,000.00	3	5,01,600.00
5. 2,00,001 to 5,00,000		3	13,00,000.00	6	22,26,000.00
6. 5,00,001 to 10,00,000		8	55,13,700.00	5	32,85,000.00
7. 10,00,001 to 20,00,000		3	50,55,300.00	—	—
		249	Rs. 2,34,95,257.00	108	1,06,53,550.00

## APPENDIX "D" (PART I)

Industry-wise Classification of Loans and Advances as on 31st March, 1973

S. No.	Type of Industry	Effective sanctions				Amount disbursed				Amount outstanding			
		Small scale		Others		Small scale		Others		Small scale		Others	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Beverages	2	1,39,000.00	—	—	1	62,000.00	—	—	1	71,573.75	—	—
2.	Chemicals	5	18,70,000.00	1	17,00,000.00	4	1,70,250.00	1	17,00,000.00	4	1,13,038.83	1	17,97,641.96
3.	Food manufacturing	5	11,41,000.00	—	—	5	9,45,000.00	—	—	5	9,49,324.02	—	—
4.	Hotel	24	24,99,200.00	—	—	24	22,30,821.16	—	—	24	22,00,637.54	—	—
5.	Metal Products	13	65,70,000.00	—	—	8	22,53,610.02	—	—	8	22,51,540.72	—	—
6.	Mineral Products	2	6,43,000.00	—	—	2	3,84,000.00	—	—	2	3,58,769.93	—	—
7.	Misc. Industries	18	9,05,500.00	—	—	13	4,39,554.88	—	—	13	3,98,686.57	—	—
8.	Printing Press	3	1,23,000.00	—	—	3	1,18,572.95	—	—	3	1,05,159.61	—	—
9.	Rubber Products	1	4,65,000.00	—	—	—	—	—	—	—	—	—	—
10.	Stone Crushing	7	5,91,200.00	—	—	4	3,02,400.00	—	—	4	2,90,094.25	—	—
11.	Textile	—	—	1	10,64,500.00	—	—	1	10,64,500.00	—	—	1	11,15,730.29
12.	Transport	215	98,05,836.58	—	—	209	94,60,786.58	—	—	209	64,70,262.41	—	—
TOTAL		295	247,52,736.58	2	27,64,500.00	273	163,67,175.59	2	27,64,500.00	273	132,09,087.63	2	29,13,372.25

## APPENDIX "D" (PART II)

## Industry-wise analysis of Financial assistance sanctioned during, 1972-73

S. No.	Type of Industry	No. of units		Loans (all types)		Underwritings		Deferred payments		Total of items (5 to 10)	Percentage of 11 to total assistance
		Small scale	Others	Small scale	Others	Small scale	Others	Small scale	Others		
1	2	3	4	5	6	7	8	9	10	11	12
1.	Cement Products	2	—	1,75,000	—	—	—	—	—	1,75,000	1.6
2.	Chemicals	2	—	6,90,000	—	—	—	—	—	6,90,000	6.5
3.	Food Manufacturing	2	—	3,81,000	—	—	—	—	—	3,81,000	3.6
4.	Hotels	4	—	2,03,200	—	—	—	—	—	2,03,200	2.0
5.	Metal Products	10	—	45,30,000	—	—	—	—	—	45,30,000	42.5
6.	Mining and stone Crushing	4	—	2,76,000	—	—	—	—	—	2,76,000	2.6
7.	Rubber Products	1	—	4,65,000	—	—	—	—	—	4,65,000	4.3
8.	Transport	78	—	37,72,350	—	—	—	—	—	37,72,350	35.4
9.	Wood working and composite	5	—	1,61,000	—	—	—	—	—	1,61,000	1.5
Total		108	—	1,06,53,550	—	—	—	—	—	1,06,53,550	100.00

## APPENDIX "E"

## District-wise Classifications of Loans and Advances as on 31st March, 1973

S. No.	Name of the District	Effective Sanctions				Amount Disbursed				Balance outstanding			
		Small scale		Others		Small Scale		Others		Small scale		Others	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Bilaspur	6	1,52,400.00	—	—	6	1,52,400.00	—	—	6	1,04,368.49	—	—
2.	Chamba	14	5,83,200.00	—	—	14	5,79,700.00	—	—	14	3,65,887.98	—	—
3.	Hamirpur	3	1,39,400.00	—	—	3	1,39,400.00	—	—	3	82,565.48	—	—
4.	Kangra	39	50,14,570.00	—	—	34	31,08,231.73	—	—	34	27,37,980.01	—	—
5.	Kinnaur	2	74,882.44	—	—	2	74,882.44	—	—	2	45,844.38	—	—
6.	Kulu	17	9,14,300.00	—	—	14	7,53,300.00	—	—	14	5,94,976.22	—	—
7.	Lahaul and Spiti	—	—	—	—	—	—	—	—	—	—	—	—
8.	Mandi	28	15,09,100.00	—	—	28	13,99,250.00	—	—	28	11,42,054.36	—	—
9.	Simla	101	55,80,024.30	—	—	97	50,80,653.29	—	—	97	39,39,364.06	—	—
10.	Sirmur	14	16,46,543.00	1	10,64,500.00	14	8,88,443.00	1	10,64,500.00	14	6,71,394.13	1	11,15,730.29
11.	Solan	55	64,62,516.84	1	17,00,000.00	50	37,23,115.13	1	1,70,000.00	50	31,59,772.18	1	17,97,641.96
12.	Una	16	26,75,800.00	—	—	11	4,67,800.00	—	—	11	3,64,880.34	—	—
Total		295	2,47,52,736.58	2	27,64,500.00	273	163,67,175.59	2	27,94,500.00	273	1,32,09,087.63	2	29,13,372.15

## APPENDIX "F"

## Constitution-wise Classification of Loans and Advances as on 31st March, 1973

S. No.	Constitution of Industrial concerns	Effective sanctions		Amount disbursed		Amount outstanding	
		No. of units	Amount Rs.	No. of units	Amount Rs.	No. of units	Amount Rs.
1	2	3	4	5	6	7	8
<b>A. Small Scale units:</b>							
1.	Public Companies	—	—	—	—	—	—
2.	Private Companies	10	31,34,550.00	8	15,58,194.20	8	14,69,542.80
3.	Co-operative Societies	2	1,05,000.00	2	1,05,000.00	2	80,850.21
4.	Partnership	52	75,43,772.44	46	34,65,773.30	46	29,59,935.69
5.	Proprietary	224	1,26,87,014.14	210	10,00,1808.09	210	73,61,178.14
6.	Joint Hindu Family	7	12,82,400.00	7	12,36,400.00	7	13,37,580.79
<b>B. Units Other than Small Scale:</b>							
	Public companies	2	27,64,500.00	2	27,64,500.00	2	29,13,372.25
TOTAL		297	2,75,17,236.58	275	1,91,31,675.59	275	1,61,22,459.98

## APPENDIX "G"

Maturity-wise classification of Government and other securities as on 31st March, 1973

S. No.	Particulars	Face Value	Book Value	Market Value
1.	<b>Government of India Securities:</b>			
(a)	Maturing within 5 years ..	nil	nil	nil
(b)	Maturing after 5 years ..	nil	nil	nil
2.	<b>State Government Securities:</b>			
(a)	Maturing within 5 years ...	nil	nil	nil
(b)	Maturing after 5 years ..	nil	nil	nil
3.	<b>Other Securities (to be specified):</b>			
(a)	Maturing within 5 years ..	nil	nil	nil
(b)	Maturing after 5 years ..	nil	nil	nil
4.	<b>Investment in shares and Debentures of Companies</b> 501—502	nil	nil	nil

## APPENDIX "H"

Statement of changes in Shareholders' equity for the year ended 31st March, 1973

	Balance as on 31st March, 1972	(Amounts in lakhs of Rupees) Changes Increase/ Decrease	Balance as on 31st March, 1973
<b>SHARE CAPITAL—</b>			
Authorised 1,00,000 shares of Rs. 100 each	100.00	—	100.00
Issued 61,000 shares of Rs. 100 each	61.00	—	61.00
<b>Subscribed and paid-up:</b>			
61,000 shares of Rs. 100 each	50.00	(+)11.00	61.00
<b>Add</b>			
(i) Application money received towards share capital	11.00	(—)11.00	—
(ii) Amount forfeited on shares issued	—	—	—
<b>Less:</b>			
Calls in arrears	—	—	—
<b>RESERVES AND SURPLUS</b>			
<b>I. Reserve Funds*</b>			
493—496			
(a) General Reserve (Section 35)	0.33	0.20	0.53
(b) Special Reserve (under section 36(i)(viii) of Income-Tax Act, 1961)	3.92	1.46	5.38
(c) Special Reserve (under section 35A of SFCs Act 1951)	3.19	1.37	4.56
(d) Other Reserves (Reserve for Bad and doubtful debts)	0.55	0.36	0.91
<b>Surplus</b>			
(Profits transferred from profit and loss account of the year minus appropriations made there against)	3.60	1.60	5.20
Shareholders equity	11.59	4.99	16.58
<b>Surplus appropriated as under:</b>			
(i) Dividend liability	1.50	(+)0.33	1.83
(ii) Provision for income-tax	2.10	(+)1.27	3.37
<b>Total</b>	<b>3.60</b>	<b>1.60</b>	<b>5.20</b>

\*After making necessary adjustments for appropriations out of the profits in the respective years.

## Balance Sheet as on

Previous year Rs.	CAPITAL AND LIABILITIES	Amount Rs.	Amount Rs.
	<b>1. CAPITAL</b>		
	Authorised		
1,00,00,000	1,00,000 shares of Rs. 100 each		1,00,00,000.00
	Issued		
61,00,000	61,000 shares of Rs. 100 each (guaranteed by the Himachal Pradesh Government under section 6(i) of the State Financial Corporations Act, 1951)		61,00,000.00
50,00,000	Subscribed and paid-up		
11,00,000	61,000 shares of Rs. 100 each fully paid-up share money received from Himachal Pradesh Government		61,00,000.00
	<b>2. RESERVE FUND AND OTHER RESERVES</b>		
	(i) Reserve fund (Section 35)		
	Rs.		
32,589	As per last Balance Sheet	32,588.88	
	Additions during the year	20,000.00	52,588.88
	(ii) Special Reserve Fund (Section 35A)		
3,19,692	As per last Balance Sheet	3,19,692.00	
	Additions during the year	1,36,695.00	4,56,387.00
	(iii) Reserve for Bad and Doubtful Debts		
54,431	As per last Balance Sheet	54,430.80	
	Additions during the year	36,408.21	90,839.01
	(iv) Other Reserves		
	(a) Special Reserve for the purpose of section 36(i)(viii) of Income Tax Act, 1961		
3,92,403	As per last Balance Sheet	3,92,402.41	
	Additions during the year	1,45,771.71	5,38,174.12
	<b>3. BONDS AND DEBENTURES</b>		
	(Guaranteed by the H.P. Government under section 7)		
26,400	264-4½ % Punjab Financial Corporation Bonds of Rs. 100 each redeemable in 1974 (first series)	26,400.00	
26,400	264-4½ % Punjab Financial Corporation Bonds of Rs. 100 each redeemable in 1974 (second series)	26,400.00	
25,200	252-5½ % Punjab Financial Corporation Bonds of Rs. 100 each redeemable in 1977 (first series)	25,200.00	
38,600	386-5½ % Punjab Financial Corporation Bonds of Rs. 100 each redeemable in 1977 (second series)	38,600.00	
27,00,000	27,000-6 % Himachal Pradesh Financial Corporation Bonds of Rs. 100 each redeemable in 1984	27,00,000.00	28,16,600.00
	<b>5. BORROWINGS</b>		
43,69,025	(a) Refinance-Industrial Development Bank of India under section 7(4) 65,69,089.89		
65,047	Interest on above accrued but not due	95,292.51	66,64,382.40
—	(b) Union Bank of India (overdraft)	2,756.40	66,67,138.80
	<b>6. GUARANTEE AND UNDERWRITING AGREEMENT</b>		
1,13,033	<b>7: SUBVENTION PAID BY THE STATE GOVERNMENT ON DIVIDEND DEFICIT ACCOUNT</b>		1,13,033.15
	<b>8. OTHER LIABILITIES</b>		
83,932	(i) Borrowers Imprest	81,278.77	
9,484	(ii) Staff Provident Fund	35,299.14	
1,819	(iii) Unclaimed Dividend	1,666.62	
31,701	(iv) Interest and Management Commission on bonds accrued but not due	29,754.93	
—	(v) Sundry Creditors	4,206.65	
520	(vi) Honorarium and fee payable	—	
450	(vii) Directors and Committee members Travel Payable	202.80	
—	(viii) Cheques received for collection (as per contra)	2,999.00	
2,384	(ix) Audit and Tax Advisors fee payable	2,350.00	
787	(x) State Government Fund under Agency Scheme	787.18	
3,753	(xi) Bills payable	6,239.21	
3,600	(xii) Special Allowance payable to Managing Director (subject to sanction from the State Government)	7,200.00	
14,620	(xiii) Ex-gratia reward payable	15,023.39	1,87,007.69
	<b>9. PROVISIONS</b>		
	(a) For Income-Tax		
	Assessment year, 1971-72	1,09,910.00	
	Assessment year, 1972-73	2,09,972.00	
	Add. Provision for assessment year, 1973-74	3,36,733.00	6,56,615.00
1,44,15,870	Carried over	6,56,615.00	1,70,21,768.65



31st March, 1973

Previous year Rs.	PROPERTY AND ASSETS	Amount Rs.	Amount Rs.
	<b>1. CASH AND BANK BALANCES</b>		
174.00	(a) Cash in hand	3,284.94	
1,206.00	(b) Balance with Banks under section 33(2)		
9,67,350.00	(i) Reserve Bank of India	44,140.71	
—	(ii) Scheduled Banks	3,68,002.95	
4,00,000.00	(iii) Remittance in transit	43,994.50	
	(iv) Short term deposits with Banks	—	4,59,423.10
	<b>2. INVESTMENTS (UNDER SECTION 34)</b>		
—	(a) Central Government		—
—	(b) State Government		—
1,27,02,379.00	<b>3. LOANS AND ADVANCES (including Rs. 2,606.89 sundry expenses recoverable)</b>		1,61,25,066.77
—	<b>4. DEBENTURES SUBSCRIBED</b>		—
—	<b>5. GUARANTEES AND UNDERWRITING AGREEMENTS</b>		—
—	<b>6. DEBENTURES, SHARES ETC. ACQUIRED UNDER UNDERWRITING AGREEMENTS</b>		—
63,392.00	<b>7. FIXED ASSETS (As per schedule annexed)</b>		78,207.00
	<b>8. DIVIDEND DEFICIT ACCOUNT</b>		
	As per last balance sheet	1,13,033.15	
1,13,033.00	As per contra	—	1,13,033.15
	<b>9. OTHER ASSETS</b>		
3,201.00	(i) Stationery and Stores in hand	5,619.19	
—	(ii) House Building Advance to staff	34,500.00	
3,175.00	(iii) Festival advance to staff	6,905.00	
—	(iv) Advance against CPF	2,600.00	
17.00	(v) Postage stamps in hand	11.00	
425.00	(vi) Security Deposits	550.00	
2,91,276.00	(vii) Accrued interest on Loans and Advances	13,88,340.78	
—	(viii) Cheques lodged for collection as per contra	2,999.00	
695.00	(ix) Pre-paid expenses	4,985.00	
3,333	(x) Sundry Debtors	4,065.19	
6,171	(xi) Income Tax advance deposited as per contra	—	
3,175	(xii) Accrued interest on fixed deposits	—	
—	(xiii) Accrued interest on Advances to staff	829.72	
6,656	(xiv) Discount on 6% Himachal Pradesh Financial Corporation Bonds, 1984	6,093.75	4,57,498.63
312	(xv) Petrol in Hand	—	

**NOTES:—**

1. No provision has been made in respect of liability for future gratuity payable to members of the staff (amount not ascertained) in accordance with the payment of Gratuity to Employees Regulations.
2. There is an income tax liability of Rs. 12,632.00 for the earlier years for which provision has not been made.
3. A writ petition is pending before the Hon'ble High Court by an ex-employee of the corporation for reinstatement. No provision has been made for his arrears of salary etc., if any, as the case is being contested.
4. The Loans and Advances are considered fully secured. However, it includes a sum of Rs. 4,07,441.96 which is secured only by the personal security of debtors and guarantors.

		Balance Sheet as on	
Previous year Rs.	CAPITAL AND LIABILITIES	Amount Rs.	Amount Rs.
1,44,15,870	Brought Forward	6,56,615.00	1,70,21,768.65
	Less Advance Tax paid for—		
	Assessment year, 1971-72	1,22,457.00	
	assessment year, 1972-73	2,02,465.00	
	assessment year, 1973-74	3,02,102.00	
	Tax deducted at source	1,131.00	
		6,28,155.00	28,460.00
1,50,000	(b) For Dividend		
	As per profit and Loss Account		1,83,000.00
	10. PROFIT AND LOSS ACCOUNT		
	Net profit for the year as per profit and loss account	7,21,912.92	
	Less		
	(i) Income-Tax Provision for assessment year, 1973-74	3,36,733.00	
	(ii) Transfer to General Reserve section (35)	20,000.00	
	(iii) Transfer to Special Reserve Section 36(1) (viii) of Income Tax Act, 1961	1,45,771.71	
	(iv) Transfer to Reserve for Bad and Doubtful Debts	36,408.21	
	(v) Dividend payable for year	1,83,000.00	
		7,21,912.92	
1,45,65,870	TOTAL Rs.		1,72,33,228.65

N. N. DEWAN,  
Development Officer.

GOBIND SAHAI,  
Managing Director.

P. K. MATTOO  
Chairman.

ROMESH CHAND,  
Secretary.

D. C. Sharma  
K. C. Varshney,  
Pancham Chander }

Directors.

#### Schedule of fixed Assets annexed to Balance

Sl.No.	Particulars	COST			
		As on 1-4-1972	Addition	Sale	As on 31-3-1973
1.	Furniture and fixtures	21,843.46	3,558.52	—	25,401.98
2.	Safes, cabinets, typewriters, duplicators, etc.	25,139.12	—	—	25,139.12
3.	Electric, Installations and equipment	7,796.50	814.97	—	8,611.47
4.	Jeep and Motor Car	27,383.63	24,262.77	—	51,646.40
	Total Rs.	82,162.71	28,636.26	—	1,10,798.97
	Total previous year	53,340	50,121	21,298	82,163

N. N. DIWAN,  
Development Officer.

ROMESH CHAND,  
Secretary.

#### Annexure to Balance Sheet

K. L. SETH,  
Partner  
for Seth Taneja and Co.,  
Chartered Accountants, Simla,  
May 21, 1973.

J. C. CHANDIOK,  
Partner.  
for Walker Chandiook and Co.  
Chartered Accountants, New Delhi.

31st March, 1973

Previous year Rs.	PROPERTY AND ASSETS	Amount Rs.	Amount Rs.
1,45,65,870	Brought Forward		1,72,33,228.65
	5. Loans and Advances include a sum of Rs. 1,96,001.66 outstanding against a sum of Rs. 3,34,390.00 advanced to the Private Carriers prior to the clarification received from the Reserve Bank of India, and no further advances have been made to them.		
	6. Previous years figures have been re-arranged wherever necessary to correspond with the figures of the current year.		
	7. Commitment liability in respect of loans sanctioned but not disbursed as at 31st March, 1973 is Rs. 83.94 lacs.		
1,45,65,870	TOTAL Rs.		1,72,33,228.65

Annexure to our report of date

K. L. SETH,  
Partner.

For Seth Taneja and Co.  
Chartered Accountants.  
May 21, 1973.

J. C. CHANDIOK,  
Partner.

For Walker ChandioK and Co.  
Chartered Accountants.

Sheet as at 31st March, 1973

DEPRECIATION				Written Down Value	
As on 1-4-1972	For the year	Adjusted on sales	As on 31-3-1973	As on 31-3-1973	As on 31-3-1973
5,790.96	1,961.02	—	7,751.98	17,650.00	16,053.00
5,950.87	1,919.25	—	7,870.12	17,269.00	19,188.00
1,552.08	706.39	—	2,258.47	6,353.00	6,244.00
5,476.72	9,234.68	—	14,711.40	36,935.00	21,907.00
18,770.63	13,821.34	—	32,591.97	78,207.00	63,392.00
17,874	11,276	10,379	18,771	63,392	35,465

GOBIND SAHAI  
Managing Director.

P. K. MATTOO,  
Chairman.

D. C. Sharma  
K. C. Varshney  
Pancham Chander

} Directors.

## Profit and Loss account for the

Previous year Rs.	EXPENDITURE	Amount Rs.	Total Rs.
	<b>To Interest</b>		
42,849	" (a) Bonds and Debentures	1,68,230.33	
190	" (b) Staff Provident Fund	1,356.88	
460	" (c) Overdraft	144.21	
2,45,495	" (d) Borrowings	3,13,639.94	
			4,83,371.36
	<b>To Salaries and Allowances</b>		
24,460	" (a) Managing Director including Rs. 3,556.93 (Medical)	29,268.19	
98,847	" (b) Others (Including Rs. 2,478.22 Medical)	1,09,092.35	
			1,38,360.54
	<b>To Travelling and other Allowances</b>		
6,468	" (a) Managing Director (does not include travel by Corporations' Vehicle)	4,352.74	
9,170	" (b) Others	8,377.59	
			12,730.33
7,307	" Directors' and Committee Members' Travel		7,705.20
1,625	" Directors' and Committee Members' sitting fee		1,175.00
3,165	" Contribution to Staff Provident Fund		6,232.00
12,075	" Rent, Rates, Taxes, and Insurance		13,360.03
18,563	" Postage, Stamps, Telegrams and Telephones		21,781.60
10,383	" Printing and Stationery		12,467.53
6,641	" Publicity and Advertisement		8,027.00
13,500	" Brokerage and Commission on Floatation of Bonds		—
	" Audit and Tax Advisor Fee (including Rs. 100 for Audit of Provident Fund,		
2,350	" Account)		2,350.00
3,793	" Law Charges		4,200.00
94	" Discount on 6% HPFC 1984 Bonds		562.50
11,276	" Depreciation		13,821.34
3,124	" Guarantee fee		4,243.97
136	" Bank Charges		99.75
	<b>To other expenses</b>		
692	" (a) Books and Newspaper	756.52	
6,966	" (b) Entertainment (includes Rs. 474.95 through Managing Director)	6,945.79	
3,868	" (c) General Charges	10,520.70	
182	" (d) Heating and Electricity	821.25	
2,542	" (e) Management Commission on Bonds	3,037.62	
11,972	" (f) Jeep/car running and maintenance	16,443.67	
11,620	" (g) Ex-gratia Reward to Staff (including Rs. 1,800.00 to Managing Director)	15,023.39	
—	" (h) Staff Training Expenses	4,437.90	
1,140	" (i) Gratuity paid	—	
2,005	" (j) Expenditure on Floatation of Bonds	—	
480	" (k) Repairs and renewals	4,319.81	
			62,306.65
4,61,844	To Net Profit (Subject to provision for Taxation) carried to Balance Sheet		7,21,912.92
10,25,282	<b>TOTAL Rs.</b>		15,14,707.72

N. N. DIWAN,  
Development Officer.

ROMESH CHAND,  
Secretary.

GOBIND SAHAI,  
Managing Director

P. K. MATTOO,  
Chairman.

D. C. Sharma  
K. C. Varshney  
Pancham Chander } Directors.

Year ended 31st March, 1973

Previous year Rs.	INCOME	Amount Rs.	Total Rs.
	By interest on Advances and Deposits		
—	(i) Advance to staff	829.72	
9,95,112	(ii) Loans and Advances	14,79,010.81	
10,584	(iii) Investment and Deposits	15,225.44	
455	(iv) Advance Tax	—	
—	Commission	—	14,95,065.97
—	Rent		
1,711	Profit on redemption of Government securities		
—	Profit from or dealing with other assets		
—	(i) Profit from sale of acquired assets		
84	(ii) Profit from sale of other assets		
—	Other Income		
16	(i) Share transfer and Sub-Division fee	6.00	
—	(ii) Miscellaneous income (including Rs. 1938.00 <i>ex-gatia</i> to Managing Director excess provided in earlier year written back)	17,760.75	
12,464	(iii) Sale of Application forms	1,875.00	
1,615	(iv) Telephones		
—	Gratuity Reserve transferred		19,641.75
329	Excess provision of income tax for assessment year, 1969-70		
2,912			
10,25,282		TOTAL Rs.	15,14,707.72

Annexure to our report of date

K. L. SETH,  
Partner.J. C. CHANDIOK,  
Partner,For Seth Taneja and Co.,  
Chartered Accountants.  
May 21, 1973.For Walker Chandiook & Co.  
Chartered Accountants.



## Schedule showing particulars in respect of Loans and Advances referred to in the Balance Sheet as on 31st March, 1973

## I. PARTICULARS OF LOANS AND ADVANCES:

(a) Debts considered good in respect of which the Corporation is fully secured	Rs. 1,61,22,459.88
(b) Debts previously fully secured but not secured to the extent of	Nil
(c) Debts due by concerns in which one or more Directors of the Corporation are interested as Directors, Partners, proprietors or Managing Agents or in the case of private companies as member	Nil
(d) Total amount on loans disbursed during the year to concerns in which one or more Directors of the Corporation are interested as Directors, Partners, Proprietors or Managing Agents or in the case of private companies as members	Nil
(e) (i) Total amount of instalment whether principal or interest of which default was made at any time during the year	Rs. 17,24,918.01
(ii) Total amount of instalment whether principal or interest due at the end of the year	Rs. 7,67,272.72
(iii) Total amount of instalment whether principal or interest overdue by the concerns in which the Directors of the Corporation are interested	Nil
(f) Debts granted by the State Government	Nil
(g) Debts due from the loanes concerns whose managements has been take over by the Corporation	Nil
(h) Debts considered bad and Doubtful	Nil

## SCHEDULE SHOWING THE CLASSIFICATION OF LOANS AND ADVANCES AS ON 31ST MARCH

## I. ACCORDING TO THE SIZE THE INDUSTRIAL UNITS:

(i) Debts due from the small scale industrial concerns	Rs. 1,32,09,087.53
(ii) Debts due from concerns other than those included under (i) above	Rs. 29,13,372.25
	Rs. 1,61,22,459.88

## II. ACCORDING TO THE CONSTITUTION OF INDUSTRIAL UNITS:

(i) Proprietary	Rs. 73,61,178.14
(ii) Partnership	Rs. 29,59,935.69
(iii) Hindu Undivided family	Rs. 13,37,580.79
(iv) Private Limited Companies	Rs. 14,69,542.80
(v) Public Limited Companies	Rs. 29,13,372.25
(vi) Co-operative Companies	Rs. 80,850.21
	Rs. 1,61,22,459.88

REPORT OF THE BOARD OF DIRECTORS  
OF THE

## HIMACHAL PRADESH FINANCIAL CORPORATION

For the year ended on 31st March, 1974

(Under section 36 of the State Financial Co-operations Act, 1951)

The Board of Directors present herewith the Seventh Annual Report on the working of the Corporation together with the Audited Statement of Accounts for the year ended the 31st March, 1974.

## REVIEW OF OPERATIONS DURING THE YEAR

During the year under review, the Corporation achieved an all round progress in the sanctioning of the advances and other financial assistance. Aggregate Financial Assistance sanctioned during the year 1973-74 was Rs. 152.50 lacs which is substantially higher at 43% over the sanctions of 1972-73 of 106.54 lacs.

The sanctions of Rs. 152.50 lacs during the year is the highest so far in any previous year. As a result, the aggregate sanctions since the inception of the Corporation went up to Rs. 493.99 lacs. The average sanctions worked out to Rs. 56.9 lacs per year till last year, and the same improved considerably during the year under report. The Corporation has sanctioned 468 applications since its inception which also include 94 applications for the year 1973-74. In spite of restrictions on the supply of vehicles from the manufacturers throughout the country, increase in the prices of machinery, raw material and shortage of fuel and furnace oil etc. the over-all disbursements made during the year revealed marked improvement in aggregate disbursement over the previous year.

The disbursement of Industrial loans depend mostly on the progress in the execution of assisted projects and completion of various formalities, the pace of disbursements as compared to sanctions gained momentum in spite of the fact a large part of loans were sanctioned in later half of the year and thus only a small proportion of disbursement could be effected against such sanctions.

## POSITION OF APPLICATIONS SANCTIONS AND DISBURSEMENT OF LOANS

The amendments to the State Financial Corporations Act, 1951, in December, 1972 had widened the scope of work of the Corporation and enhanced the limit of accommodation to companies and co-operative societies. This helped the Corporation to entertain applications exceeding Rs. 20 lacs and two such applications were received and sanctioned.

Apart from the above, the Corporation agreed during the year to avail foreign currency loans under IDA Line of Credit through the Industrial Development Bank of India. The operational guidelines suggested by the Reserve Bank of India have been implemented. The Corporation during the year sanctioned two proposals for import of Capital goods and foreign currency loans aggregating to Rs. 5,17,898.

The Corporation continued to entertain applications for loans from Rs. 0.10 lacs to Rs. 15.00 lacs from concerns other than those organised as Companies and Registered Co-operative Societies, and upto Rs. 30.00 lacs from Companies and Registered Co-operative Societies.

The Corporation, during the year under review, received applications for the aggregate amount of Rs. 195.58 lacs (including 3 applications for additional loan from existing loanes for an amount of Rs. 23.00 lacs) which together with those pending at the close of the last year made a total of 154 applications for Rs. 263.97 lacs from variety of industries such as Hotels, Transport, Chemicals, Stone Quarrying, Steel Re-rolling Mill, Cement Products and Rubber Products, etc.

During the year 1973-74 the Corporation considered 137 applications for Rs. 215.94 lacs. Disbursement of Rs. 89.27 lacs was effected against our new sanctions and a sum of Rs. 18.88 lacs was disbursed against our previous partially disbursed sanctions, thus making total disbursement of Rs. 108.15 lacs. Adding disbursement of Rs. 204.03 lacs upto 31st March, 1973, the total disbursement at the close of the year stood at Rs. 312.18 lacs.

The Government of India had introduced Central outright Grant or Subsidy Scheme, 1971, and units located in specified backward districts were entitled for this grant/subsidy. The Government of Himachal Pradesh appointed the Corporation as its agent in respect of units who had also obtained financial assistance from the Corporation. During the year under review, the State Level Committee appointed by the Government of Himachal Pradesh, sanctioned subsidy to 15 units amounting to Rs. 28,22,655.88 in respect of units assisted by the Corporation. The Corporation disbursed an amount of Rs. 11,99,325.91 to 12 units and the re-imbursement of the same has been claimed from Government of India.

Industry-wise statement based on the International Standard of Industries Classification showing applications received, sanctioned, rejected, withdrawn or lapsed and the amount actually disbursed to the respective industries upto 31st March, 1973 and from 1st April, 1973 to the 31st March, 1974, are separately given in Appendix B Part I and II respectively. The information in Part-I also includes the operational results of erstwhile Punjab Financial Corporation upto 31st March, 1967, in respect of industries located in the areas comprising the present State of Himachal Pradesh.

However, the position of applications for the year under review as also the cumulative figures at the close of the year are given in the following table:—

Particulars	Small scale		Others		Total	
	No.	Amount (Rs. in lakhs)	No.	Amount (Rs. in lakhs)	No.	Amount (Rs. in lakhs)
Applications pending at the beginning of the year	40	48.40	1	20.00	41	68.40
Total applications received	110	148.58	3	47.00	113	195.58
Total applications sanctioned	90	85.90	4	66.60	94	152.50
Total applications rejected	1	1.00	—	—	1	1.00
Total applications withdrawn, lapsed, closed, etc.	42	58.91	—	—	42	58.91
Total applications less sanctioned	9	3.13	1	0.40	10	3.53
Total applications pending	17	48.03	—	—	17	48.03
Loans sanctioned (effective)	319	284.89	5	99.24	324	384.13
Loan disbursed	391	239.85	5	72.33	396	312.18

Amountwise, industrywise, districtwise and constitutionwise classification of loans upto 31st March, 1974, are given in Appendix 'C', 'D' and 'F' respectively.

The following statement will show at a glance the net results of the working of the Corporation upto the year 31st March, 1974:—

	Rs.
Loans sanctioned upto 31st March, 1974	4,93,98,792.00
Less sanctions declined/cancelled/withdrawn	66,04,939.58
Net sanctions	4,27,93,852.42
Less Cases fully repaid	43,80,481.58
Effective Sanctions	3,84,13,370.84
Net sanctions as above	4,27,93,852.42
Less: loans not disbursed in respect of sanctions fully repaid	5,52,614.59
Less: loans disbursed to 396 concerns	3,12,17,480.97
Balance of loans commitments	1,10,23,756.76
Total loans outstanding as on 31st March, 1974	2,30,55,866.76

At the end of the year 17 applications for an aggregate amount of Rs. 48.03 lacs were pending for consideration.

A close contact with the various development agencies in the Pradesh has born good fruits and the activities of the Corporation are being publicised in various functions, seminars organised by the Directorate of Industries and Small Industries Service Institutes.

It will be seen from the above that 113 number of loan proposals received during the year have registered marginal decrease over the figure of 137 during the previous year. The decrease is mainly due to non-availability of chassis for transport industry. The gross sanction of 94 loans during the year for aggregating amount of Rs. 152.50 lacs is highest so far. The sanctions withdrawn reduced during year were of the order of Rs. 12.54 lacs and pertain mainly to general industries. Such action arisen because either the parties are not serious in implementing the scheme or could not comply with the terms and conditions of the loan.

As compared to last few years, the lending operations of the Corporation made some remarkable changes. The Corporation in 1970 liberalised the policy for financing transport industry and this liberalisation gave a good start and during the very first year the Corporation became self sufficient. The outstanding amount at the close of earlier years along with disbursement mainly pertained to transport industry. However, with the announcement of various incentives to the industries by the State Government and introduction of Central out right Grant or Subsidy Scheme, 1971, for units located in backward areas, the position changed to a greater extent and loans to general industries exceeded the loans for transport industry. The Corporation considers its privilege to publicise various incentives announced by the State/Central Government and necessary guidance is provided to the interested entrepreneurs.

The year under report has strengthened the foundations of the Corporation and it is expected that the pace of progress achieved so far will be maintained in future.

#### Rate of interest:

The present lending rate structure of the Corporation came into force with effect from 1st June, 1973, consequent upon the revision in the bank rate, and is as under:

#### (a) Loans to small scale industries

4% above the bank rate with a minimum of 11½% per annum with 1% rebate for prompt payment of principal and interest on the

due rates, the rebate will be 3% (in respect of loans upto Rs. 25,000) from the date the refinance is provided at the rate of 5% per annum and rebate will be 2½% (in respect of loans exceeding Rs. 25,000) from the date the refinance is provided at the rate 5½% per annum by the Industrial Development Bank of India.

#### (b) Loans to industries other than small scale industries

4% above the bank rate with a minimum of 11½% per annum with 1% rebate for prompt payment of principal and interest on due dates.

#### (c) Loans to Hotels

4% above the bank rate with a minimum of 11½% per annum with a rebate of 1% for prompt payment of principal and interest on due dates.

#### (d) Loans to transport vehicles

##### (i) New Vehicles

4% above the bank rate with a minimum of 12½% per annum with 2% rebate for prompt payment of principal and interest on due dates.

##### (ii) Old Vehicles:

4% above the bank rate with a minimum of 13% per annum with a rebate of 2% for prompt payment of principal and interest on due dates.

#### (e) Industries located in backward areas

The interest rates in respect of industries will be as mentioned above but the rebate will be increased, from the date the refinance is availed at a concessional rate of 4% per annum, in such a way that effective rate of interest is 7½% per annum. This concession is, however, not available to Transport Industries.

#### MARGIN

During the year under review, no change in the margin retained by the Corporation against the security was made except in case of Hotels, which was reduced from 40% to 25% and the same stood as under:—

1. Medium Scale Industries	30%
2. Small Scale Industries	25%
3. Hotel Industry	25%
4. Transport Industry	20% (50% in case the body is fabricated outside Himachal Pradesh).
5. Loan exclusive for Working Capital	50%

All eligible loans to small scale industries were got guaranteed from the Credit Guarantee Organisation and guarantee fee was paid by the Corporation. Similarly eligible loans to the transport industry were got guaranteed from the Credit Guarantee Corporation of India Limited (subsidiary of Reserve Bank of India) and the guarantee commission was charged from the borrowers, the rate being ½% per annum.

#### Raising of additional Funds

#### REFINANCE

It is a matter of gratification that liquidity position of the Corporation throughout the year remained very satisfactory. Besides the realisation of principal and its interest from the loanee concerns, the Corporation took full advantage of refinance facility offered by Industrial Development Bank of India which became a very handy source for augmenting the resources of the Corporation.

During the year under review, the Corporation approached the Industrial Development Bank of India for refinance of 70 cases for Rs. 149.06 lacs which together with those 3 cases pending at the close of year made a total of 73 applications for Rs. 164.31 lacs. The Corporation availed of refinance to the extent of Rs. 59.14 lacs during the year under review. The balance amount would be availed of as and when necessity arises. At the close of the year 12 applications for Rs. 56.36 lacs were under consideration with the Industrial Development Bank of India.

The above position has been summed up as under:—

	No.	Amount (Rs. in lacs)
(i) No. of application pending with IDBI at the beginning of the year:		
Small Scale	3	15.25
Others	—	—
Transport	—	—
	3	15.25

(ii) No. of applications submitted to the IDBI during 1973-74.	No.	Amount Rs. in lacs
Small Scale	24	61.28
Transport	43	26.18
Others	3	61.60
	70	149.06
(iii) Refinance sanctioned:		
Small Scale	11	13.32
Transport	41	24.87
Others	2	44.60
	54	82.79
(iv) Refinance availed of:		
Small Scale	7+ (1)	9.09
Transport	69	35.15
Others	2	14.90
	78+(1)	59.14
Note.—Figures in brackets indicate the partially disbursed cases of previous years.		
(v) No. of application lapsed, withdrawn or rejected:		
Small Scale	5	23.85
Transport	2	1.31
Others	—	—
	7	25.16
(vi) No. of applications pending with the Industrial Development Bank of India:		
Small Scale	11	39.36
Transport	—	—
Others	1	17.00
	12	56.36

The total refinance availed of by the Corporation upto 31st March, 1974, amounted to Rs. 1,42,18,758.53 and the Balance outstanding stood at Rs. 99,27,322.53.

#### Floatation of Bonds:

In order to further augment its resources, the Corporation resorted to borrowing from the Reserve Bank of India, against *ad hoc* bond of the face value of Rs. 40.00 lacs against which maximum amount of Rs. 36.00 lacs could be borrowed. The Corporation borrowed 26.00 lacs against the said bond and proposed to repay during the next financial years.

#### Loan from State Government

A loan of Rs. 10.00 lacs was also borrowed from Government of Himachal Pradesh in terms of Section 7(3) of the State Financial Corporations Act, 1951. This carries interest at the rate of Rs. 7.5% per annum.

#### Sources and uses of funds:

The statement indicating the sources and uses of funds during the year under report is attached as Appendix "II".

### REPAYMENTS

#### Progress of Re-payment

The total amount of interest due on loans during the year under review was Rs. 18.79 lacs out of which an amount of Rs. 15.52 lacs was actually received, which also included part payment of interest in arrear at the close of the previous year. The default at the close of current year being Rs. 8.79 lacs. Further a sum of Rs. 4.94 lacs accrued as interest on the total advances during the year under review but this actually falls due for payment after 31st March, 1974.

According to the schedule of repayment of principal, the total amount which fell due during the year under review was Rs. 44.58 lacs. The actual repayment of principal, however, amounted to Rs. 41.13 lacs which also included part repayment, in respect of principal in arrear at the close of the previous year. The defaults at the close of the year under review amounted to Rs. 21.19 lacs. The percentage of cumulative defaults to total outstanding works out to 13.0%. Delays and defaults in the repayment of loans were mainly due to non availability of prompt power connections, scarcity of controlled raw material, furnace oil and fuel etc. with the result that the defaulted units could not run to the full capacity.

#### Irregular Accounts

In cases of parties which were not in a position to clear the accumulated arrears, re-scheduling of loans was done with a view to mitigating their hardships. Some of the units which were not working satisfactorily for want of money were also sanctioned additional

loans. In cases where all efforts to recover the arrears failed, legal proceeding were instituted. At the close of the year 10 cases against which legal proceedings have been initiated involving Rs. 17.14 lacs were pending in various Courts and were being vigorously pursued. It is expected that most of the cases are likely to be decided in favour of the Corporation during the next financial year.

#### Pre-Mature Repayments

In addition to the above, an amount of Rs. 2.06 lacs was received from the loanee concerns prematurely besides the loans amounting to Rs. 12.14 lacs, mostly of transport category, fully repaid prematurely during the year.

#### Defaults

The statement given below shows the figures of repayments and defaults at the end of the year.

	Principal Rs.	Interest Rs.
Arrears outstanding at the beginning of the year	17,74,626.38	5,52,159.39
Amount due during the year	44,57,781.69	18,79,414.65
	62,32,408.07	24,31,574.04
Amount received during the year	41,13,195.89	15,52,386.03
Arrears at the close of the year	21,19,212.18*	8,79,188.01**

\*This amount also includes a sum of Rs. 19,349.27 received in the first week of April, 1974 within the grace period. An amount of Rs. 2,28,644.66 shown as default at the close of the last year has now been excluded as a result of re-scheduling. A further amount of Rs. 7,65,000 has been excluded in respect of one re-called case, against which suit has not been filed and proceedings to take over management of the concern are now being initiated.

\*\*This amount also includes a sum of Rs. 4,688.31 received in the first week of April, 1974, within the grace period.

#### Industry-wise Classification of Defaults excluding suit filed cases:

Industry	No. of units	Defaults as on 31-3-74	
		Principal Rs.	Interest Rs.
(i) Chemicals	5	2,28,253.20	3,44,889.03
(ii) Composite units	7	14,336.99	21,497.07
(iii) Food	3	25,028.47	26,868.67
(iv) Hotels	13	2,34,202.47	71,556.08
(v) Metal Products	4	35,873.73	22,107.66
(vi) Mining & stone crushing	3	18,946.04	11,380.37
(vii) Printing Press	1	39,978.38	6,783.04
(viii) Transport	69	1,96,862.90	31,838.30
Total	105	7,93,482.18	5,36,928.22
Less amount in respect of recalled cases	11	2,57,592.32	96,298.16
Balance effective defaults	95	5,35,889.86	4,40,622.06

A statement containing the ages of default of each case excluding the suit filed cases is also attached at Appendix "IV". All the amounts of loans were reviewed by the Board and no case was considered as doubtful of recovery. During the year under review the Corporation has taken a policy decision to create a Interest Suspense A/c., to which shall be transferred such interest accrued on suit filed debts where six continuous instalments have not been received. A sum of Rs. 8355.73 has credited to interest in Suspense A/c. for the year ended 31st March, 1974 in respect of two suit loans.

#### Post-Sanction Inspections

During the year under review, due post-sanction inspections of all the units which had completed the projects were conducted. In addition verification of utilisation of loans in respect of cases under completion were also carried out. These verifications more or less gave the same information as the post-sanction inspections. The inspections revealed the features such as irregular accounts, deficiencies in implementation of the scheme, non-submission of audited balance sheets and profit and loss accounts and financial difficulties more particularly in the sphere of working capital. The deficiencies were brought to the notice of the management of the concerns for taking effective remedial measures.

#### Annual Accounts:

During the year, 1973-74 the working of the Corporation resulted in a net profits of Rs. 8,50,008. The following appropriations have been made out of the profits in the balance sheet resulting in the

available balance of Rs. 1,83,000:—

	Rs.
(i) General Reserve Fund	20,234
(ii) Special Reserve for the purpose of Section 36(i) (viii) of Income Tax Act, 1961	2,12,502
(iii) Reserve for bad and doubtful debts	60,700
(iv) Provision for taxation	3,73,572
Balance available	1,83,000

The Board of Directors have declared a dividend at the rate of 3% per annum per share on 61,000 shares of Rs. 100 each for the current year. A sum of Rs. 1,83,000 is payable as dividend on entire paid up share capital which amount is available out of our net profit after providing for statutory reserves. It would thus be observed that the Corporation has earned adequate net profits during the period under review to meet all its liabilities.

A statement showing figures of net profits and their appropriations is attached as Appendix 'A'.

#### Reserve

In terms of section 36(1) of the State Financial Corporations Act, 1951, the Corporations are required to establish a Reserve Fund. The Act does not specifically prescribe the quantum of allocation to be made to the Reserve Fund every year. In the absence of specific provision and also owing to the fact that the Corporation has not been drawing any contribution from the State Government for the payment of guaranteed dividend, the quantum of allocation to the Reserve Fund by the Corporation has so far been determined on *ad hoc* basis. The Corporation is engaged in providing medium and long term loans and the nature of its business involves considerable risk. It has, therefore, been felt to strengthen the Reserve for Bad and Doubtful Debts and at least 75% of the surplus available after providing for taxation, dividend and exemption under section 36(i)(viii) has been decided to be credited to this fund. The reserves so far created by the Corporation provide sufficient cushion to cover the risks. The reserves at the close of the business on the 31st March, 1973, stood as follows:—

	Rs.
(i) General Reserve Fund under section 35 of the State Financial Corporations Act	52,588.88
(ii) Special Reserve Fund under sections 35 (A) of the State Financial Corporations Act	4,56,387.00
(iii) Special Reserve for purpose of Income Tax Act under section 36(1)(viii)	5,38,174.12
(iv) Reserve for Bad and Doubtful debts	90,839.01
	11,37,989.01

Under section 35(A) of the State Financial Corporations Act, 1951, the Corporation may establish a Special Reserve Fund, to which shall be transferred such portion of the dividends accruing to the State Government, the Reserve Bank of India and the Industrial Development Bank of India on the shares of the Financial Corporation as may be fixed by an agreement between the State Government, the Reserve Bank of India and the Industrial Development Bank of India provided that the total amount in the said fund shall at no time exceed 25% of the paid up capital of the Financial Corporation. The State Government and Reserve Bank of India had granted general permission to the Corporation to transfer the amount of dividend accrued to them to the Special Reserve Fund till the amount in the fund reached the level of 10% of the paid up capital. By virtue of an amendment enacted in December, 1972, the limit of ten per cent was raised to 25% and accordingly the Reserve Bank of India granted general permission to this effect. A sum of Rs. 1,69,695 accrued to the State Government and the Reserve Bank of India for the year, 1972-73 has been transferred to this fund but this transfer is subject to the sanction of the State Government as it has crossed the limit of 10%. The State Government has, however, been requested to enhance the limit of 10% to 25% in accordance with the Act.

The Corporation has, however, been able to earn sufficient profits during the year, 1973-74 and the Board of Directors hence approved the following appropriation with a view to strengthening the various Reserve Funds:—

	Rs.
(i) General Reserve Fund	20,234.00
(ii) Special Reserve for purpose of sections 36(i)(viii) of Income Tax Act	2,12,502.00
(iii) Reserve for Bad and Doubtful Debts	60,700.00
To sum up, the various Reserve Funds of the Corporation now stand as under:—	
(i) General Reserve Fund under Section 35 of the State Financial Corporations Act	72,822.88
(ii) Special Reserve under section 35(A) of the SFC Act	6,26,082.00
(iii) Reserve for Bad and Doubtful Debts	1,51,539.01

(iv) Special Reserve for purposes of section 36(i) (viii) of the Income Tax Act	7,50,676.12
Total Rs.	16,01,120.01

To this amount will be added another amount of Rs. 1,69,695 as Special Reserve Fund under section 35(A) of the Act after the dividend has been declared at the Annual General Meeting in June, 1974, and approval of State Government is received.

The total reserves are, therefore, 26.2% of the paid up capital of the Corporation as against 21.5% in the previous year, which is quite satisfactory.

#### MANAGEMENTS

##### Changes in the Board of Directors

Since the publication of the last Annual Report, some changes have taken place in the constitution of the Board of Directors. In terms of first provision of section 10 read with section 11(1) of the State Financial Corporations Act, 1951, the State Government nominated Shri Lalit Sen, and Mrs. Sarita Prasad, I.A.S., in place of Shri K. N. Channa, I.A.S., and Shri M. L. Jain respectively. Shri Lalit Sen, however, declined to accept the directorship and Shri U. N. Sharma, I.A.S., was nominated in his place.

In terms of aforesaid provisions of the Act, the Reserve Bank of India nominated Shri S. L. Jathar in place of Shri Sudarshan Lal. Shri A.P. Banda who was elected as Director at the Fifth Annual General Meeting of the Corporation held on 22nd June, 1972, to represent the insurance Companies, Investment Trusts and other Financial Institutions resigned on account of his transfer from Chandigarh and Shri P. N. Khosla was elected in his place in an extra-ordinary General Meeting of the Corporation held on 28th September, 1973.

The Board places on record their appreciation of the services rendered by the outgoing Directors namely Sarvshri K. N. Channa, I.A.S., M. L. Jain, Sudarshan Lal and A. P. Banda.

##### Chairman of the Corporation

Shri K. N. Channa, I.A.S., on account of his transfer to Central Government relinquished office as Chairman during the year under review. In terms of section 15 of the State Financial Corporations Act, 1951, Shri U. N. Sharma, I.A.S., Chief Secretary to the Government of Himachal Pradesh, was first nominated by the State Government as a Director and thereafter Chairman of the Board Directors in place of Shri K. N. Channa, I.A.S.

##### Executive Committee

The executive Committee consisted of the Managing Director, Sarvshri M. L. Jain, Sudarshan Lal and Jishan Lal Kuthiala. Shri M. L. Jain, consequent upon his retirement from Government service, was replaced by Mrs. Sarita Prasad, I.A.S., Shri S. L. Jathar replaced Shri Sudarshan Lal.

##### Board Meetings

The Board held 5 meetings during the year under review at the Head Office of the Corporation.

##### Executive Committee and Advisory Committee Meetings:

The Executive Committee and Advisory Committee held 4 & 3 meetings each during the year under review.

##### Staff Training

The staff and officers of the Corporation had been deputed to various training courses organised by the Bankers training College and Reserve Bank of India and during the year under review, the Corporation deputed two officers and six officials to such courses.

##### Distribution of shares

During the year under review, one transfers/transmissions of shares were made involving 5 shares. The position regarding the shares of the Corporation held by different categories of shares as on 31st March, 1974, was as under:—

	No. of share-holders in the Class	Number of shares held
1. Himachal Pradesh Government	1	54,255
2. Reserve Bank of India	1	2,310
3. Scheduled Banks	2	2,800
4. Co-operative Banks	1	5
5. Insurance Companies, investment trusts and other financial institutions (excluding scheduled banks and co-operative banks)	3	1,245
6. Parties referred to in clause (d) of sub-section (3) of section 4 of the Act	24	385
Total	32	61,000

**Technical Wing**

The Corporation on the recommendations of Reserve Bank of India and Industrial Development Bank of India has decided to create its own Technical Cell consisting of one Chemical Engineer and Mechanical Engineer. This Cell will be assigned the functions of preparing Appraisal Reports, conducting 'Post-sanction Inspections' and 'Assessment of assets' offered as security.

**Auditors**

In accordance with the Provisions of section 37 of the State Financial Corporations Act, 1951, the accounts of the Corporation for the year under review, have been audited by the Auditors Messrs. Walker Chandio & Co., duly qualified under the law to act as Auditors of the Companies. Appointment of these Auditors was made by the State Government in consultation with the Comptroller and Auditor General of India.

An audit of the affairs of the Corporation was also undertaken by the Comptroller and Auditor General of India during the year under review under sub-section (6) of section 37 of the Act.

**Inspection by the Reserve Bank of India**

The Reserve Bank of India carried out the inspection of the Corporation's working for the last four years in pursuance of section 37A of the State Financial Corporations Act, 1951. The Inspection Report has been received recently and is under consideration of Board for suitable implementation of the suggestions made therein.

**Branch Offices**

At present the Corporation has only one Branch Office functioning at Dharamsala. Due to increase of work in head office and shortage of staff, no long term posting could be made. During the year under report, the Corporation also decided to open an office at Mehatpur but the same also could not start functioning. It is expected that both these offices will start regular functioning during the next year.

**Stamp Duty**

The Government of Himachal Pradesh had remitted the stamp duty and registration charges in respect of documents executed between the borrowers and the Corporation. However, this concession expired on 31st March, 1974, and has not been extended so far. The Corporation has, therefore, decided to accept equitable mortgage from the Companies and Co-operative Societies in future in order to avoid the burden of stamp duty and registration charges on the borrowers.

**Scheme for Financing Educated un-employed**

The Corporation during the year under review liberalised its policy for providing financial assistance to the technicians and educated unemployed. According to this scheme, assistance upto an extent of 90% of fixed capital investment will be provided by the Corporation. In order to encourage further such entrepreneurs, the State Government has decided to provide seed capital margin money to such entrepreneurs. The Government of Himachal Pradesh placed an amount of Rs. 16.25 lakhs at the disposal of the Corporation for disbursements to the educated unemployed as seed capital during the year under review.

**Participation Arrangements**

The Corporation has been considering the problem of working capital funds by the borrower concerns. During the year under review, the Corporation decided to enter into participation agreements with Commercial Banks according to which the banks would provide working capital at reduced margin and the Corporation would provide term loan for fixed assets. It is expected that this arrangement is likely to play an important role in the industrialisation of the State.

**Acknowledgements**

The Board takes this opportunity to place on record its appreciation of the co-operation and assistance received from the Government of Himachal Pradesh, Reserve Bank of India, Industrial Development Bank of India, Industrial Finance Corporation of India and other financial institutions. The Board also places on record its appreciation of the assistance received from M/s Walker Chandio & Co., Chartered Accountants, New Delhi, during the course of audit. The Board would also like to place on record its appreciation of the hard, honest sincere work of Dewan Gobind Sahai, Managing Director, which has enabled the Corporation to achieve highly satisfactory results.

The Board has great pleasure in appreciating the Services of members of the staff and officers of the Corporation. In appreciation of good results achieved by the Corporation, the Board has granted to the officers including the Managing Director, and the staff of the Corporation an *ex-gratia* good performance reward equivalent to 20% of the total emoluments.

By order of the Board

GOBIND SAHAI,  
Managing Director.

**APPENDIX 'A'**

Statement showing the figures of net profits and their appropriations upto 31st March, 1974

Year	Net profit	Balance transferred by PFC on re-organisation	Total	Transferred to Reserve Fund	Transferred to Special Reserve Fund	Transferred to Bad and Doubtful Debts Reserve	Transferred to Investment Reserve	Transferred to Gratuity Reserve	Provision for Taxation	Amount available for Guaranteed Dividends	Net deficit for Guaranteed Dividend
1	2	3	4	5	6	7	8	9	10	11	12
1967-68	81,460	26	81,486	5,000	20,365	2,000	1,000	1,000	33,600	18,521	16,159
1968-69	1,05,196	—	1,05,196	5,000	26,299	—	—	1,000	43,393	29,504	45,496
1969-70	1,07,054	—	1,07,054	5,000	26,764	1,000	—	1,000	49,668	23,622	51,378
1970-71	2,91,616	—	2,91,616	8,096	66,610	2,000	—	—	1,09,910	105,000	—
1971-72	4,61,844	—	4,61,844	4,758	93,114	4,000	—	—	2,09,972	1,50,000	—
1972-73	7,21,913	—	7,21,913	20,000	1,45,772	36,408	—	—	3,36,733	1,83,000	—
1973-74	8,50,008	—	8,50,008	20,234	2,12,502	60,700	—	—	3,73,572	1,83,000	—

Note.—Figures have been rounded off to nearest rupees.

**APPENDIX "B" (PART I)**

Statement showing loan applications received, sanctioned, rejected, withdrawn or lapsed and amounts actually disbursed industry-wise (based on International classification of all economic activities) by HPFC upto the year ended 31st March, 1973

Sr.	Type of Industry	No. of applications received	Amount	No. of applications sanctioned	Amount	No. of applications rejected	Amount	No. of applications lapsed	Amount	No. of (units) disbursed	Amount
1	2	3	4	5	6	7	8	9	10	11	12
1.	Cement Products ..	4	4,85,000	3	2,75,000	—	—	1	1,85,000	1	87,400
2.	Chemicals ..	16	49,15,000	10	34,50,000	—	—	5	11,05,000	5	18,70,250
3.	Cold Storage and Ice Factory ..	2	7,00,000	2	6,75,000	—	—	—	—	1	1,30,000



1	2	3	4	5	6	7	8	9	10	11	12
4. Engineering Goods	4	5,16,250	1	1,50,000	—	—	3	9,66,250	—	—	—
5. Fertilizers	1	20,00,000	—	—	—	—	—	—	—	—	—
6. Film Studio	1	10,00,000	—	—	—	—	—	—	—	—	—
7. Food Manufacturing	14	28,26,000	10	13,58,400	2	1,15,000	1	10,00,000	5	9,77,000	—
8. Hotel	68	80,06,200	43	48,67,200	2	2,05,000	18	22,99,000	24	22,30,821	—
9. Metal Products	27	1,02,83,924	18	72,80,000	2	60,000	5	16,92,459	9	23,06,343	—
10. Mining and Stone Crushing	17	20,89,000	9	10,51,100	—	—	6	4,20,000	5	5,99,000	—
11. Paper	1	4,50,000	—	—	—	—	—	—	—	—	—
12. Plastics	1	20,00,000	—	—	—	—	1	20,00,000	—	—	—
13. Printing Press	4	1,70,000	3	1,23,000	—	—	1	40,000	3	1,18,753	—
14. Rubber Products	2	14,60,000	1	4,65,000	—	—	1	9,00,000	—	—	—
15. Service Station	1	80,000	—	—	—	—	—	—	—	—	—
16. Stationery	1	1,00,000	—	—	—	—	1	1,00,000	—	—	—
17. Stone quarrying	2	90,000	—	—	—	—	2	90,000	—	—	—
18. Textile	2	22,00,000	1	20,00,000	—	—	1	2,00,000	1	10,64,300	—
19. Transport	315	1,46,63,327	256	1,16,07,607	4	2,09,500	32	14,97,100	239	1,06,39,242	—
20. Wood Working and Composite units	27	20,79,330	17	8,46,500	2	87,780	5	1,33,000	12	3,79,555	—
	511	5,61,14,031	374	3,41,48,807	12	6,77,280	84	1,23,27,809	305	2,04,02,864	—

Note.—Figures have been rounded off to nearest rupees.

#### APPENDIX 'B' (PART III)

Statement showing the loan applications received, sanctioned, rejected and lapsed and amount actually disbursed industry-wise (based on International standard industrial classification of all economic activities for the year, 1973-74)

Sr. No.	Type of Industry	No. of applications received	Amount	No. of applications sanctioned	Amount	No. of applications rejected	Amount	No. of applications lapsed	Amount	No. of applications disbursed	Amount
1. Cement Products	..	1	84,000	—	—	—	—	—	—	1	47,611
2. Chemicals	..	4(+3)	54,75,000	2(+2)	49,00,000	—	—	(1)	1,00,000	2(+4)	37,39,500
3. Electrical appliances	..	3	16,32,790	3	15,98,000	—	—	—	—	—	—
4. Engineering goods	..	2	3,89,985	1	1,89,985	—	—	—	—	—	—
5. Fertilizers	..	—	—	1	19,60,000	—	—	—	—	1	10,19,277
6. Food Manufacturing	..	—	—	—	—	—	—	1	1,50,000	(1)	8,000
7. Hotel	..	7(+1)	17,26,000	2(+1)	2,40,000	1	1,00,000	5	6,66,000	(2)	88,775
8. Metal Products	..	7	34,95,275	3	12,10,000	—	—	3	16,00,000	9(+6)	19,44,524
9. Mining & Stone crushing	..	1	2,00,000	—	—	—	—	3	4,50,000	1(+1)	73,497
10. Paper	..	2	20,00,000	2	10,60,000	—	—	—	—	—	—
11. Rubber Products	..	1	4,00,000	—	—	—	—	1	4,00,000	—	—
12. Service Station	..	—	—	—	—	—	—	1	80,000	—	—
13. Transport	..	75	39,10,800	74	38,57,000	—	—	22	11,75,200	74	37,15,700
14. Wood Working and composite units	..	6	2,45,000	3	2,35,000	—	—	5	6,70,000	3(+1)	1,77,733
		109(+4)	1,95,57,850	91(+3)	1,52,49,985	1	1,00,000	41(+1)	68,91,200	(91+15)	1,08,14,617

Note.—1. Figures in brackets indicate the additional loans disbursed to the existing concerns either sanctioned in previous year or during the year.

2. Figures have been rounded off to nearest rupees.

#### APPENDIX 'C'

Classification of loans and advances amount-wise as on 31st March, 1974

Loans from					Sanctioned upto 31st March, 1973		Sanctioned during, 1973-74	
					No.	Amount	No.	Amount
						Rs.		Rs.
1.	Rs.	10,000	to	Rs.	55	10,69,220	17	3,20,700
2.	Rs.	25,001	to	Rs.	139	57,17,365	8	3,16,500
3.	Rs.	50,001	to	Rs.	131	75,51,622	50	30,50,800
4.	Rs.	1,00,001	to	Rs.	19	24,30,600	9	13,68,985
5.	Rs.	2,00,001	to	Rs.	7	27,26,000	3	10,98,000
6.	Rs.	5,00,001	to	Rs.	13	73,54,000	3	24,35,000
7.	Rs.	10,00,001	to	Rs.	10	73,00,000	4	66,60,000
					374	3,41,48,807	94	1,52,49,985

Note.—Figures have been rounded off to nearest rupees.

## APPENDIX 'D' (PART I)

Classification of the loans and advances industry-wise as on 31st March, 1974

Sr. No.	Type of Industry	Effective sanctions				Amount disbursed				Amount Outstanding			
		Small Scale		Others		Small Scale		Others		Small Scale		Others	
1	2	No. 3	Amount 4	No. 5	Amount 6	No. 7	Amount 8	No. 9	Amount 10	No. 11	Amount 12	No. 13	Amount 14
1	Beverages ..	1	62,000	—	—	1	62,000	—	—	1	66,009	—	—
2	Chemicals ..	5	15,10,000	4	88,60,000	4	4,25,250	4	61,68,777	4	3,62,965	4	65,20,676
3	Electrical appliances ..	3	15,98,000	—	—	—	—	—	—	—	—	—	—
4	Engineering goods ..	1	1,89,985	—	—	—	—	—	—	—	—	—	—
5	Food Manu- facturing ..	5	11,41,000	—	—	5	9,53,000	—	—	5	8,68,327	—	—
6	Hotels ..	24	24,99,200	—	—	23	21,19,596	—	—	23	19,80,590	—	—
7	Metal Products	17	73,60,000	—	—	17	42,05,957	—	—	17	40,04,441	—	—
8	Mineral Products	2	3,84,000	—	—	2	3,84,000	—	—	2	3,15,036	—	—
9	Misc. Industries ..	16	6,94,500	—	—	15	5,22,288	—	—	15	5,12,366	—	—
10	Paper and Paper Products	2	10,60,000	—	—	—	—	—	—	—	—	—	—
11	Printing Press ..	3	1,23,000	—	—	3	1,18,753	—	—	3	84,251	—	—
12	Stone Crushing	6	4,91,200	—	—	6	4,23,508	—	—	6	4,16,547	—	—
13	Textile ..	—	—	1	10,64,500	—	—	1	10,64,500	—	—	1	12,36,648
14	Transport ..	234	1,13,75,986	—	—	229	1,09,41,986	—	—	229	66,97,481	—	—
TOTAL ..		319	2,84,88,871	5	99,24,500	305	2,01,56,338	5	72,33,277	305	1,53,08,013	5	77,57,324

Note.—Figures have been rounded off to nearest rupees.

## APPENDIX 'D' (PART II)

Analysis of Financial assistance sanctioned (industry-wise) 1973-74

Sr. No.	Type of Industry	No. of units		Loans (All types)		Underwritings		Deferred Payments		Total of items (5-10)	Percentage of 11 to total assistance 12
		Small scale	Others	Small scale	Others	Small scale	Others	Small scale	Others		
1	2	3	4	5	6	7	8	9	10	11	12
1	Chemicals	1	3	2,00,000	47,00,000	—	—	—	—	49,00,000	32.1
2	Electrical appliances, etc.	3	—	15,98,000	—	—	—	—	—	15,98,000	10.5
3	Engineering goods ..	1	—	1,89,985	—	—	—	—	—	1,89,985	1.2
4	Fertilizers ..	—	1	—	19,60,000	—	—	—	—	19,60,000	12.9
5	Hotels	3	—	2,40,000	—	—	—	—	—	2,40,000	1.6
6	Metal Products	3	—	12,10,000	—	—	—	—	—	12,10,000	7.9
7	Paper and Paper Products	2	—	10,60,000	—	—	—	—	—	10,60,000	7.0
8	Transport ..	74	—	38,57,000	—	—	—	—	—	38,57,000	25.3
9	Wood Working and Composite	3	—	2,35,000	—	—	—	—	—	2,35,000	1.5
Total ..		90	4	85,89,985	66,60,000	—	—	—	—	1,52,49,985	100.0

Note.—Figures have been rounded off to the nearest rupees.

## APPENDIX 'E'

Classifications of loans and advances District-wise as on 31st March, 1974

Sr. No.	Name of the district	Effective Sanctions				Amount disbursed				Balance outstanding			
		Small scale		Others		Small scale		Others		Small scale		Others	
1	2	No. 3	Amount 4	No. 5	Amount 6	No. 7	Amount 8	No. 9	Amount 10	No. 11	Amount 12	No. 13	Amount 14
1	Bilaspur ..	11	3,35,500	—	—	11	3,29,000	—	—	11	2,81,492	—	—
2	Chamba ..	13	5,63,200	—	—	13	5,59,700	—	—	13	2,58,889	—	—
3	Hamirpur ..	5	2,72,100	—	—	5	2,68,600	—	—	5	1,82,063	—	—
4	Kangra ..	40	51,61,320	—	—	38	39,89,580	—	—	38	32,90,100	—	—
5	Kinnaur ..	2	1,12,500	—	—	2	1,12,500	—	—	2	91,572	—	—
6	Kulu ..	17	8,42,800	—	—	15	7,10,800	—	—	15	5,16,787	—	—
7	Lahaul & Spiti ..	—	—	—	—	—	—	—	—	—	—	—	—
8	Mandi ..	23	13,09,350	—	—	23	12,31,097	—	—	23	9,91,894	—	—
9	Simla ..	108	59,98,456	—	—	106	55,68,460	—	—	106	38,93,484	—	—
10	Sirmar ..	18	15,48,043	2	27,64,500	17	11,85,943	2	24,14,000	17	8,11,902	2	26,29,399
11	Solan ..	60	77,79,702	2	46,60,000	56	51,49,282	2	27,19,277	56	41,28,888	2	30,28,495
12	Una ..	22	45,65,900	1	25,00,000	19	10,50,976	1	21,00,000	19	8,60,946	1	20,99,426
TOTAL ..		319	2,84,88,871	5	99,24,500	305	2,01,56,338	5	72,33,277	305	1,53,08,017	5	77,57,320

Note.—Figures have been rounded off to nearest rupees.

**APPENDIX 'F'**  
*Classification of loans and advances Constitution-wise as on 31st March, 1974*

Sr.No.	Constitution of Industrial concern	Effective sanctions		Amount disbursed		Amount outstanding	
		No. of Units	Amount in Rs.	No. of Units	Amount in Rs.	No. of units	Amounts in Rs.
<b>A. Small Scale Units</b>							
1. Public Companies	.. .. .	—	—	—	—	—	—
2. Private Companies	.. .. .	10	43,89,000	6	17,51,317	6	14,45,842
3. Co-operative Societies	.. .. .	2	1,05,000	2	1,05,000	2	56,645
4. Partnership	.. .. .	50	72,40,100	49	49,53,053	49	42,00,519
5. Proprietary	.. .. .	249	1,45,97,371	240	1,21,00,567	240	84,09,929
6. Joint Hindu Family	.. .. .	8	21,57,400	8	12,46,400	8	11,95,079
<b>B. Units Other than Small Scale:</b>							
1. Private Companies	.. .. .	1	17,00,000	1	13,49,500	1	13,92,751
2. Public Companies	.. .. .	4	82,24,500	4	58,83,777	4	63,64,572
<b>Total</b>	<b>..</b>	<b>324</b>	<b>3,84,13,371</b>	<b>310</b>	<b>2,73,89,614</b>	<b>310</b>	<b>2,30,65,337</b>

Note.—Figures have been rounded off to nearest rupees.

**APPENDIX 'G'**  
*Maturity-wise classification of Government and other securities as on 31st March, 1974*

Sr. No.	Particulars	Face value	Book value	Market value
1	2	3	4	5
1. Government of India Securities—				
(a) Maturing within 5 years	.. .. .	Nil	Nil	Nil
(b) Maturing after 5 years	.. .. .	Nil	Nil	Nil
2. State Government Securities—				
(a) Maturing within 5 years	.. .. .	Nil	Nil	Nil
(b) Maturing after 5 years	.. .. .	Nil	Nil	Nil
3. Other Securities (to be specified)—				
(a) Maturing within 5 years	.. .. .	Nil	Nil	Nil
(b) Maturing after 5 years	.. .. .	Nil	Nil	Nil
4. Investment in Shares and Debentures of Companies	.. .. .	Nil	Nil	Nil

**THE BOARD OF DIRECTORS**  
**Himachal Pradesh Financial Corporation**

In our opinion, the accompanying Balance Sheet and the financial statements (Appendix I to V) subject to the Notes thereon present fairly the financial position of Himachal Pradesh Financial Corporation as at 31st March, 1974, and the results of its operations and the sources and applications of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The accompanying supplemental data and schedules, though not considered necessary for a fair presentation of the financial position and results of operations and sources of application of funds, are presented principally for supplementary analysis purposes and to give information as to the scope of work. While our examination was made primarily for the purpose of formulating our opinion on the current year's basic financial statements (Appendix I to V), the additional data have been subjected to the same audit procedures and, in our opinion, are stated fairly in all material respects when considered in conjunction with the financial statements taken as a whole.

41-L, Connaught Circus,  
New Delhi.  
Dated this 23rd day of May, 1974.

J. C. CHANDIOK,  
B.A., F.C.A. (England & Wales), F.C.A.,  
PARTNER,  
for Walker Chandio & Co.,  
Chartered Accountants.

**APPENDIX 'I'**  
*Statement of changes in shareholders equity for the year ended 31st March, 1975*  
(expressed in Indian Rupees)

	(Amount in lakhs of rupees)		
	Balance as on 31st March, 73	Changes increase/decrease	Balance as on 31st March, 1974
<b>Share Capital</b>			
Authorised 1,00,000 shares of Rs. 100 each	100.00	—	100.00
Issued 61,000 shares of Rs. 100 each	61.00	—	61.00
<b>A. Subscribed and paid-up</b>			
61,000 shares of Rs. 100 each	61.00	—	61.00
<b>Add</b>			
(i) Application money received towards share capital	—	—	—
(ii) Amount forfeited on shares issued	—	—	—
<b>Less</b>			
Calls in arrears	61.00	—	61.00
<b>B. Reserves and Surplus</b>			
<b>I. Reserve Funds*</b>			
(a) General Reserve (Section 35)	0.53	0.20	.73

		(Amount in lakhs of rupees)		
		Balance as on 31st March, 73	Changes increase/decrease	Balance as on 31st March, 1974
Share Capital				
(b) Special Reserve [under section 36(i)(viii) of Income Tax Act, 1961]		5.38	2.12	7.50
*After making necessary adjustments for appropriations out of the profits in the respective year.				
(c) Special Reserve (under section 35A of SFCs Act, 1951)*		4.56	1.70	6.26
(d) Other Reserves		—	—	—
		10.47	4.02	14.49
C. Surplus				
(i.e. profit transferred from profit and loss account of the year minus appropriations made the re-against)		—	—	—
Shareholders equity (A + B + C)		71.47	4.02	75.49
*This reserve is created out of dividends forgone by Reserve Bank of India/State Government on their shareholdings.				
Note.—The current year's Profit Rs. 8.50 has been appropriated as under:—				
(i) Provision for taxation	3.74			
(ii) Transferred to				
(a) General Reserve (u/s 35)	0.20			
(b) Special Reserve u/s 36(i)(viii) of Income Tax Act	2.12			
(c) Reserve for bad and doubtful debts	0.61			
(iii) Dividend payable	1.83			
	8.50			

ROMESH CHAND,  
Secretary.

GOBIND SAHAI,  
Managing Director.

In terms of our report of even date.  
J. C. CHANDIOK,  
B.A., F.C.A. (England & Wales), F.C.A.,  
PARTNER  
for Walker ChandioK and Co.,  
Chartered Accountants.

#### APPENDIX 'II'

#### Statement of sources and application of Funds for the year ended 31st March, 1974

		(Amount in lakhs of rupees)		
		Amount	Amount	Amount
A. FUNDS PROVIDED				
I. From Operations :				
(i) Net income as per profit and loss account	8.50			
Less transferred to :				
(a) Provision for taxation	3.74			
(b) Reserve for bad and doubtful debts	0.61	4.35	4.15	
(ii) Depreciation provision			0.12	
(iii) Provision for bad and doubtful debts			0.61	
(iv) Other (Please specify)			—	
Funds provided from operations			4.88	
II. Repayment of Assistance by Borrowers etc.				
(i) Repayment of loan instalments		42.28		
(ii) Sale of investments				
(a) Government and other trustee securities				
(b) Debentures and preference shares of industrial concerns				
(c) Equity shares of industrial concerns				
(iii) Redemption of				
(a) Preference shares by industrial concerns				
(b) Debenture by industrial concerns				
Funds provided from repayment of assistance by borrowers, etc.			42.28	
III. From Other Sources				
(i) Further issue of share capital				
(ii) Borrowings from				
(a) State Government		10.00		
(b) Reserve Bank of India				
(1) Against Government and Trustee securities				
(2) Against ad-hoc bonds		26.00		
(c) Industrial Development Bank of India		59.14		
(d) Banks				
(e) Bonds				
(f) Deposits from public				
(g) Other (Please specify)				
(iii) Recoveries on account of guarantees issued				
(iv) Others (Please specify)				
(Increase in other liabilities)		16.73		
Funds provided from other sources, i.e. increase in reserve under section 35 (A)		1.70	113.57	
TOTAL FUNDS PROVIDED (I + II + III) =				160.73

(Amount in lakhs of rupees)

**Note.**—Appropriation of net income of Rs. 4.16 lacs  
are as under :—  
Less transferred to :

In terms of our report of even date,  
J. C. CHANDIOK,  
B.A., F.C.A. (England & Wales), F.C.A.,  
PARTNER  
for Walker Chandiok & Co.  
Chartered Accountants.

*Equity Investment held as on 31st March, 1974*

\*Basis of estimated value (1) market value as per quotations (2) Book value (3) Others

**\*\*Give reasons for losses, expected date of completion of construction, start up, reasons for delay in completion of project etc.**

In terms of our report of even date.  
J. C. CHANDIOK,  
B.A., F.C.A. (England & Wales), F.C.A.,  
PARTNER,  
for Walkar Chandio & Co.,  
Chartered Accountant.

## APPENDIX 'IV'

Schedule of arrears in excess of 3 months as of March 31, 1974  
(Excluding cases where Legal action has been taken)

Particulars	Total outstanding		Total		3=6 months		Arrears in excess of 3 months					
	balance				overdue		6-12 months		1-6 years		Over 2 years	
	Principal	Intt.	Principal	Intt.	Principal	Intt.	Principal	Intt.	Principal	Intt.	Principal	Intt.
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>Transport:</b>												
1. Shri Dharam Chand Kuthiala	0.08	—	0.03	—	0.03	—	—	—	—	—	—	—
2. M/s Lehn Mal Ram Krishan	0.03	—	0.03	—	—	—	0.03	—	—	—	—	—
3. Shri Pran Nath Gupta	0.08	—	0.05	—	0.05	—	—	—	—	—	—	—
4. Shri D. K. Bhardwaj	0.21	—	0.06	—	0.06	—	—	—	—	—	—	—
5. M/s Shahi Traders	0.12	0.01	0.04	0.01	0.03	—	0.01	0.01	—	—	—	—
6. Shri Bhanu Partap	0.10	0.01	0.04	0.01	0.03	0.01	0.01	—	—	—	—	—
7. Shri Sardari Lal	0.17	—	0.06	—	0.05	—	0.01	—	—	—	—	—
8. Shri K. K. Upmanyu	0.19	—	0.08	—	0.06	—	0.02	—	—	—	—	—
9. Shri Gopal Krishan	0.07	0.01	0.03	0.01	0.03	0.01	—	—	—	—	—	—
10. Shri Tuls Ram Chauhan	0.20	0.01	0.05	0.01	0.05	0.01	—	—	—	—	—	—
11. Shri Ajit Singh Parmar	0.34	0.01	0.07	0.01	0.07	0.01	—	—	—	—	—	—
12. M/s Kinnaur Tpt. Co-op. Society	0.31	0.02	0.06	0.02	0.06	0.02	—	—	—	—	—	—
13. Shri Ravi Chand Chadha	0.32	0.02	0.06	0.02	0.06	0.02	—	—	—	—	—	—
14. Shri Khem Singh	0.38	0.01	0.10	0.01	0.07	0.01	0.03	—	—	—	—	—
15. Shri G. S. Chandel	0.14	0.01	0.04	0.01	0.02	0.01	0.02	—	—	—	—	—
16. Shri Shiv Dutt Bhardwaj	0.42	—	0.06	—	0.06	—	—	—	—	—	—	—
17. Shri Suti Parkash	0.40	0.01	0.07	0.01	0.07	0.01	—	—	—	—	—	—
18. Shri Rakesh Kumar	0.39	0.03	0.07	0.03	0.07	0.03	—	—	—	—	—	—
19. Shri Gian Chand Garg	0.39	—	0.05	—	0.05	—	—	—	—	—	—	—
20. M/s Kapila Bus Service	0.54	0.01	0.06	0.01	0.06	0.01	—	—	—	—	—	—
21. Shri Vihwanath Sud	0.09	—	0.02	—	0.02	—	—	—	—	—	—	—
22. Shri Gopal Krishan	0.20	—	0.03	—	0.02	—	0.01	—	—	—	—	—
23. Smt. Chander Kala	0.22	0.01	0.04	0.01	0.04	0.01	—	—	—	—	—	—
24. Shri Piare Lal	0.28	—	0.06	—	0.06	—	—	—	—	—	—	—
25. Shri Gopal Krishan	0.07	0.01	0.03	0.01	0.03	0.01	—	—	—	—	—	—
26. Shri Kishan Singh Anand	0.18	—	0.07	—	0.07	—	—	—	—	—	—	—
<b>General Industries:</b>												
27. M/s Neelam Hotel	0.24	0.01	0.08	0.01	0.04	0.01	—	—	0.04	—	—	—
28. M/s Mountview Guest House	0.17	0.02	0.03	0.02	0.03	0.01	—	0.01	—	—	—	—
29. Narinder Singh & Sons	0.11	0.01	0.02	0.01	—	0.01	0.02	—	—	—	—	—
30. M/s Greens Hotel	0.19	0.02	0.03	0.02	—	0.01	0.03	0.01	—	—	—	—
31. Maurice Hotel	0.63	0.08	0.22	0.08	—	0.04	0.10	0.03	0.10	0.01	0.02	—
32. M/s Prem Hotel	0.11	—	0.02	—	—	—	0.01	—	0.01	—	—	—
33. M/s Laxmi Furniture & Saw Mills	0.51	0.05	—	0.05	—	0.03	—	0.02	—	—	—	—
34. M/s B. R. Industries	0.31	0.03	0.05	0.03	0.01	0.02	0.02	0.01	0.02	—	—	—
35. Highway Cee Cee Co.	0.80	0.09	—	0.09	—	0.05	—	0.04	—	—	—	—
36. A.S. Bhartari & Co.	0.85	0.05	0.19	0.05	0.10	0.05	0.09	—	—	—	—	—
37. M/s Himland Hotel	8.45	0.32	1.70	0.32	0.30	0.32	0.60	—	0.80	—	—	—
38. Springdale Hotel	0.80	0.18	0.12	0.18	0.04	0.05	0.04	0.04	0.04	0.09	—	—
39. Himachal Automatic Bakery	1.00	0.27	0.25	0.27	0.05	0.06	0.05	0.06	0.10	0.10	0.05	0.5
40. Himachal Printing Press	0.66	0.07	0.40	0.07	0.10	0.04	—	0.03	0.10	—	0.20	—
41. Shiam Singh Thakur	0.30	0.02	0.06	0.02	0.02	0.02	0.02	—	0.02	0.02	—	—
42. Highway Paying Guest	0.30	0.05	0.04	0.05	0.02	0.02	0.02	0.01	—	0.02	—	—
43. Hypine Carvons	17.09	2.93	2.20	2.93	0.80	1.02	0.80	0.94	0.60	0.97	—	—
44. Hima Research Lab.	0.20	0.02	0.08	0.02	0.03	0.01	0.03	0.01	0.02	—	—	—
45. Mountview Hotel	0.40	0.03	—	0.03	—	0.03	—	—	—	—	—	—
<b>TOTAL</b>	<b>39.12</b>	<b>4.43</b>	<b>6.85</b>	<b>4.43</b>	<b>2.76</b>	<b>1.97</b>	<b>1.97</b>	<b>1.22</b>	<b>1.85</b>	<b>1.19</b>	<b>0.27</b>	<b>0.05</b>

Note 1.—In the absence of latest audited accounts, of the loanees the profitability or otherwise cannot be indicated in the above statement. Moreover, the loanees, have been exempted to furnish the audited accounts where the loans sanctioned do not exceed Rs. 1 lakh.

2. Figures of arrears below Rs. 500 have been not shown in the above statement.

3. For fixing the age of overdue in cases where default under both principal and interest have continued as on the date, the same have been fixed in relation to the order of the two defaults and both defaults have been classified under that age group.

ROMESH CHAND  
Secretary.

GOBIND SAHAI  
Managing Director.

In terms of our report of even date.  
J. C. CHANDIOK,  
B.A., F.C.A. (England & Wales), F.C.A.,  
PARTNER,  
for Walker Chandio & Co.,  
Chartered Accountants.

## APPENDIX 'V'

Statement of suit-filed and/or decreed debts outstanding as on 31-3-1974

No.	Name of the party	Type of Industry	Amount of loan sanctioned	Date of sanction	Date of filing suit	Date of decree, if any	Amount outstanding as on 31-3-1974	Value of security	Remarks
1.	M/s Pinewood Hotel, Manali	Hotel	55,000	22-7-67	17-1-70	Final decree passed on 10-8-1972.	29,497.16	1,30,840	—
2.	M/s Crown Trading Corporation Mandi.	Transport	24,000	3-11-69	1-1-72	—	20,897.85	46,806	—
3.	Shri Kishan Chand, Thalout	Composite unit	63,000	24-6-69	1-1-72	—	49,933.75	1,19,066	—
4.	M/s Himachal Shoddy Mills, Paonta.	Textile	10,64,500	12-2-65	13-3-72	—	12,36,647.71	17,71,790	—
5.	M/s Thakur Industries, Mandi	Composite unit.	30,000	4-2-69	12-7-72	—	31,151.57	1,00,461	—
6.	M/s Mahesh Industries, Kathla	-do-	30,000	4-9-68	7-8-72	—	35,025.63	49,175	—
7.	M/s National Ice & Cold Storage Factory, Mandi	Cold Storage	1,75,000	15-6-68	10-11-72	—	1,56,911.28	2,17,189	—
8.	M/s Bhopindra Food & Malt Industries, Jatoli.	Beverages	62,000	10-8-70	22-3-72	—	66,008.99	3,14,600	—
9.	M/s Aroma Hotel, Simla	Hotel	50,000	4-2-69	3-11-72	—	25,756.66	1,02,566	—
10.	M/s Tourist Hotel and Restaurant, Dharamsala.	Hotel	30,000 25,000	4-2-69 30-3-70	28-10-72	—	62,354.63	98,684	—

ROMESH CHAND  
Secretary.GOBIND SAHAI  
Managing Director.

Interms of our report of even date.  
J. C. CHANDIOK,  
B.A., F.C.A. (England & Wales), F.C.A.,  
PARTNER,  
for Walker Chandio & Co.,  
Chartered Accountants.

## BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

## REPORT OF THE AUDITORS

To  
The Shareholders,  
Himachal Pradesh Financial Corporation,  
Simla.

We the undersigned Auditors of the Himachal Pradesh Financial Corporation do hereby report to the shareholders upon the Balance Sheet and Accounts of the Corporation as at 31st March, 1974.

We have examined the annexed Balance Sheet with the accounts and vouchers relating thereto and report that where we have called for explanation and information, which information and explanations have been given and have been satisfactory. In our opinion, the Balance Sheet is full and fair Balance Sheet containing all necessary particulars and properly drawn up so as to exhibit a true and correct view of the State of affairs of the Corporation according to the best of our information and explanation given to us and as shown by the books of the corporation.

41-L, Connaught Circus,  
New Delhi,  
Dated this 23rd Day of May, 1974.

J. C. CHANDIOK,  
B.A., F.C.A., (England & Wales), F.C.A.,  
PARTNER,  
for Walker Chandio & Co.,  
Chartered Accountants.

## Balance Sheet as at

Previous Year	CAPITAL AND LIABILITIES	Amount	Total
	<b>1. CAPITAL</b>		
	Authorised		
100,00,000	1,00,000 shares of Rs. 100 Each		100,00,000
	Issued		
61,00,000	61,000 shares of Rs. 100 Each (Guaranteed by State Government under section 6(i) of the State Financial Corporation Act, 1951)		61,00,000
61,00,000	Subscribed and Paid-up		61,00,000
	61,000 shares of Rs. 100 Each fully paid-up		
	<b>2. RESERVE FUND AND OTHER RESERVES</b>		
	(i) Reserve Fund (under section 35)		
52,589	Balance as per last Balance Sheet	52,589	
	Addition during the year	20,234	72,823
	(ii) Special Reserve Fund (under section 35A)		
4,56,387	Balance as per last Balance Sheet	4,56,387	
	Addition during the year	1,69,695	6,26,082
	(Being excess of 10% of paid-up capital is subject to the sanction of the State Government in conformity with the amended Act)		
	(iii) Reserve for bad and doubtful debts		
90,839	Balance as per last Balance Sheet	90,839	
	Addition during the year	60,700	1,51,539
	(iv) Other Reserves		
5,38,174	Special Reserve under section 36(i)(viii) of Income Tax Act, 1961	5,38,174	
	Balance as per last Balance Sheet	2,12,502	7,50,676
	Addition during the year		16,01,120
	<b>3. BONDS AND DEBENTURES</b>		
	(Guaranteed by the State Government under section 7)		
26,400	264—4-3/4% Punjab Financial Corporation Bonds of Rs. 100 each redeemable in 1974 (I series)	26,400	
26,400	264—4-3/4% Punjab Financial Corporation Bonds of Rs. 100 each redeemable in 1974 (II series)	26,400	
25,200	252—5-3/4% Punjab Financial Corporation Bonds of Rs. 100 each redeemable in 1977 (I series)	25,200	
38,600	386—5-3/4% Punjab Financial Corporation Bonds of Rs. 100 each redeemable in 1977 (II series)	38,600	
27,00,000	27000-6% H.P. Financial Corporation Bonds of Rs. 100 each redeemable in 1984	27,00,000	28,16,600
	<b>4. FIXED DEPOSITS (Under Section 8)</b>		
	<b>5. BORROWINGS (Under Section 7)</b>		
65,69,090	(i) From Industrial Development Bank of India under section 7(4) holding for Industrial Development Bank in trust the securities offered by the Corporation Constituents against loans advanced to them by the Corporation	99,27,323	
	(ii) From Reserve Bank of India against the security of 7% ad-hoc Bond of the face value of Rs. 40.00 lacs (Guaranteed by the State Government)	26,00,000	
	(iii) From State Government	10,00,000	
2,756	(iv) Union Bank of India (overdraft)		1,35,27,323
	<b>6. GUARANTEES AND UNDERWRITING AGREEMENTS</b>		
1,13,033	<b>7. SUBVENTION PAID BY STATE GOVERNMENT ON ACCOUNT OF DIVIDEND (SECTION 6 READ WITH SECTION 35)</b>		1,13,033
	<b>8. OTHER LIABILITIES</b>		
787	(i) State Government Funds under Agency Agreement	787	
	(ii) State Government Funds under scheme of assistance to educated un-employed release of Seed Capital or Margin Money	16,25,000	
81,279	(iii) Borrowers Imprest	30,017	
35,299	(iv) Staff Provident Fund	53,896	
1,667	(v) Unclaimed Dividend	1,701	
1,24,534	(vi) Interest on Bonds and Debenture and Borrowings accrued but not due	2,13,616	
2,999	(vii) Cheques received for collection (as per contra)		19,25,017
35,736	<b>9. OUTSTANDING LIABILITIES</b>		50,009
	(Rs. 10,800 payable to Managing Director as special pay subject to sanction by the State Government)		
	<b>10. INTEREST IN SUSPENSE ACCOUNT</b>		
	<b>11. PROVISIONS</b>		
	(a) For Income Tax Assessment Years		
	1971-72	1,09,910	
	1972-73	2,09,972	
	1973-74	3,36,733	
	1974-75	3,73,572	
			8,356



31st March, 1974

Previous Year

## PROPERTY AND ASSETS

Amount

Total

## 1. CASH AND BANK BALANCES

3,285

(a) Cash in hand

1,245

(b) Balances with Banks [under section 33(2)]

44,141

(i) Reserve Bank of India

1,25,179

3,58,003

(ii) Schedules Banks

6,86,467

8,12,891

## 2. INVESTMENTS (under section 34)

(a) Central Government

(b) State Government

1,61,25,067

## 3. LOANS AND ADVANCES

2,30,55,867

## 4. DEBENTURES SUBSCRIBED

## 5. GUARANTEES AND UNDERWRITINGS AGREEMENTS

6. DEBENTURES, SHARES ETC., ACQUIRED UNDER-  
WRITING AGREEMENTS  
(under section 25(1)(d))

## 7. PREMISES LAND AND BUILDINGS

## 8. MOTOR VEHICLES, FURNITURE AND FIXTURES, ETC

Cost upto last Balance Sheet

Addition during the year

1,10,799

1,481

Less: Sales/adjustments during the year

1,12,280

Less: Depreciation written off upto last Balance Sheet

32,592

Depreciation written off this year

11,652

44,254

63,026

78,207

1,13,033

## 9. DIVIDEND DEFICIT ACCOUNT

1,13,033

## 10. OTHER ASSETS

5,619

(i) Stationery, stores in hand

11,479

(ii) Advances to Staff

34,500

(a) House Building

36,700

6,905

(b) Festival

4,441

2,600

(c) Contributory Provident Fund

1,200

11

(iii) Postage Stamps in hand

42,341

550

(iv) Security Deposit

17

(v) Accrued interest on

550

(a) Loans and advances

4,94,495

(b) Advances to Staff

1,844

(vi) Cheques lodged for collection

—

2,999

(vii) Prepaid Expenses

4,412

4,985

(viii) Sundry Debtors

3,496

4,065

(ix) Discount on 6% HPFC Bonds 1984

5,53

6,094

(x) Subsidy and Interest thereon recoverable from Central Government under Central Outright Grant or Subsidy Scheme, 1971

11,99,326

Subsidy

6,083

Interest on above

12,05,414

(xi) Remittance in Transit

4,98,961

43,994

43,994

22,69,540

5,101

## 11. PROVISION FOR TAXATION

(Details pas per contra)

1,72,33,229

## Balance Sheet as at

Previous year	CAPITAL AND LIABILITIES	Amount	Total
	Less: Tax paid (under section 210 of the Income Tax Act, 1961)	10,30,187	
	Assessment Years		
	1971-72	1,22,457	
	1972-73	2,02,465	
	1973-74	3,36,735	
	1974-75	3,72,500	
28,460	Tax deducted at source	1,131	10,35,288
	Balance as per Contra		5,101
1,83,000	(b) For Dividend as per Profit and Loss Account		1,83,000
	12. PROFIT AND LOSS ACCOUNT		
	Net Profit for the year as per Profit and Loss Account	8,50,008	
	Less:		
	(a) Provision for Taxation	3,73,572	
	(b) Transferred to:		
	(i) Reserve Fund (under section 35)	20,234	
	(ii) Special Reserve for purposes of section 36(i)(viii) of Income Tax Act, 1961	2,12,502	
	(iii) Reserve for Bad and Doubtful Debts.	60,700	
	(c) Dividend payable for the year	1,83,000	8,50,008
1,72,33,229	TOTAL		2,63,24,458

N. N. DIWAN,  
Development Officer.ROMESH CHAND,  
Secretary.GOBIND SAHAI,  
Managing Director.

Profit and loss Account for the year ended the 31st March 1974.

Previous Year	EXPENDITURE	Amount	Total
4,83,371	To Interest on Deposits, Bonds and Debentures and Borrowings		7,27,555
	To Salaries and Allowances		
	(a) Managing Director (including Rs. 1,676 Medical Charges, Rs. 3,624/- Leave Salary and Pension Contribution and Rs. 1,800/- Ex-gratia Reward)	29,900	
31,068	(b) Other (including Rs. 3,708/- Medical Charges)	1,50,898	1,80,798
1,22,316	To Travelling and Other Allowances		
	(a) Managing Director	6,534	
4,353	(b) Others	12,558	19,092
8,378	To Directors and Committee Members Sitting Fee		850
1,175	To Directors and Committee Members Travelling Allowances		8,057
7,705	To Contribution to staff Provident Fund		6,527
6,232	To Rent, Rates, Taxes, Insurance and Lighting etc.		20,251
13,360	To Postage, Telegrams and Telephones		26,341
21,782	To Printing and Stationery		13,150
12,468	To Publicity and Advertisement		11,881
8,027	To Repairs and Renewals		682
4,320	To Bank Charges and Commission		148
100	To Audit Fee (includes Rs. 100/- for Provident Fund Rs. 1000/- subject to Approval of State Government)		2,100
2,100	To Law Charges		37,816
4,450	To Depreciation		11,662
13,821	To Discount on Bonds and Debentures written off		562
562	To Brokerage on Bonds and Debentures		
—	To Other Expenses		
755	(a) Books and Newspapers	690	
	(b) Entertainment (including Rs. 279/- through Managing Director)	9,373	
6,946	(c) Miscellaneous not enumerated	6,207	
10,521	(d) Winter Heating Expenses	1,400	
821	(e) Management Commission on Bonds	3,038	
3,038	(f) Guarantee fee	19,830	
4,244	(g) Vehicles Maintenance and Running Expenses	28,856	
16,444	(h) Staff Training Expenses	11,194	
4,438	(i) Uniforms to Class IV employees	2,847	83,435
—	To Bad Debts written off		—
—	To Loss on Sale of Investment		—
—	To Loss on sale or dealing with other assets		—
—	(a) Loss on sale of acquired assets		—
—	(b) Loss on sale of other assets		—
—	To amount transferred to interest in Suspense		8,356
7,21,913	To Net Profit Carried to Balance Sheet (subject to provision for taxation)		8,50,008
15,14,708	TOTAL		20,09,271

N. N. DIWAN,  
Development Officer.ROMESH CHAND,  
Secretary.GOBIND SAHAI,  
Managing Director.

31st March, 1974

Previous year

## PROPERTY AND ASSETS

Amount

Total

1,72,33,229

Brought Over

2,63,24,458

## CONTINGENT LIABILITIES EXIST IN RESPECT OF:

- (1) Any demand made by the Income-tax authorities in excess of provision made. Appeal against the assessment for year, 1972-73 is pending.
- (2) Gratuity payable under the "Payment of Gratuity to Employees Regulation".
- (3) Arrears of salary etc., of an employee claiming reinstatement through Court.

## NOTES

- (1) Commitment liability in respect of loans sanctioned but not disbursed as on 31st March, 1974, is Rs. 110,23,756.76.
- (2) Claim filed with the Central Government for recovery of the Subsidy disbursed to loanes in selected backward areas amounting to Rs. 11,99,325.51 together with interest accrued thereon to 31st March, 1974 has been incorporated in the accounts.
- (3) Loans and Advances include Rs. 84,457.40 outstanding against Rs. 2,51,400 advanced to Private Carriers prior to the Reserve Bank of India's advice against disbursing such loans.
- (4) Figures have been rounded off to the nearest rupee and wherever necessary figures of the previous year have been regrouped and recast to make them comparable with the figures of the current year.
- (5) Interest accrued during the year has been placed in Interest Suspense Account in respect of suit filed loans where six consecutive instalments of interest had also not been paid.
- (6) The Balances outstanding in respect of loans and advances as on 31st March, 1974, are subject to confirmation by the loanes.

1,72,33,229

TOTAL

2,63,24,458

U. N. SHARMA,  
Chairman.

P. K. MATTOO,  
SARITA PRASAD,  
Directors.

## ANNEXURE TO OUR REPORT OF DATE

J. C. CHANDIOK,  
Partner,  
for WALKER CHANDIOK & CO.,  
Chartered Accountants.

Ended the 31st March, 1974

Previous Year

## INCOME

Amount

Total

## By Interest on

14,79,011

(a) Loans and Advances

19,87,024

15,225

(b) Investment and Deposits

580

(c) Subsidy recoverable from Central Government

6,088

830

(d) Advances to Staff

2,014

## By Commission

## By Rent

## By Profit on Sale of Investment

## By Profit from sale of or dealing with other Assets

(a) Profit from sale of acquired assets

(b) Profit from sale of other assets

## By Other Income

6

(a) Share Transfer and Sub-Division Fee

17,761

(b) Miscellaneous Income

11,970

1,875

(c) Sale of Application Forms

1,595

13,565

15,14,708

TOTAL

20,09,271

U. N. SHARMA,  
Chairman.

P. K. MATTOO,  
SARITA PRASAD,  
Directors.

## ANNEXURE TO OUR REPORT OF DATE

J. C. CHANDIOK,

Partner,

for WALKER CHANDIOK &amp; CO.,

Chartered Accountants.

23rd May, 1974

1 SCHEDULE SHOWING PARTICULARS IN RESPECT OF LOANS AND ADVANCES REFERRED TO IN THE BALANCE SHEET AS AT 31ST MARCH, 1974

	Rs.
1. Particulars of loans and advances	
(a) Debts considered good in respect of which the Corporation is fully secured	2,30,32,734
(b) Debts previously fully secured but now secured to the extent of Rs. 13,005	23,133
	<u>2,30,55,867</u>
(c) Debts due by concerns in which one or more Directors of the Corporation are interested as Directors, Partners, proprietors or Managing Agents or in the case of private companies as members :	Nil
(d) Total amount of loans disbursed during the year to concerns in which one or more Directors of the Corporation are interested as Directors, Partners, Proprietors or Managing Agents or in the case of private companies as members :	Nil
(e) (i) Total amount of instalments whether Principal or interest of which default was made any time during the year	25,60,205
(ii) Total amount of instalments whether Principal or Interest overdue at the end of the year (excluding those against whom legal action has been taken and disclosed under (iv) below	13,30,400
(iii) Total amount of instalments whether Principal or Interest overdue by the concerns in which the Directors of the Corporation are interested	Nil
(iv) Total amount due from Industrial Concerns against whom legal action has been taken for the recovery of the dues	16,93,754
(f) Debts guaranteed by the State Government Scheduled Banks and State Co-operative Banks	Nil
(g) Debts guaranteed by the loanee concerns whose management has been taken over by the Corporation	Nil
(h) Debts considered bad and doubtful	Nil

II SCHEDULE SHOWING THE CLASSIFICATIONS OF LOANS AND ADVANCES AS AT 31ST OF MARCH, 1974, ACCORDING TO THE SIZE OF THE INDUSTRIAL UNITS

1. According to the Size of the Industrial Units	
(i) Debts due from Small Scale Industrial Concerns	1,53,08,017
(ii) Debts due from concerns other than those included under (i) above	77,57,320
	<u>2,30,65,337</u>
2. According to the Constitution of the Industrial Units	
(i) Proprietary	84,09,929
(ii) Partnership	42,00,519
(iii) Hindu Undivided family	11,95,079
(iv) Private Limited Companies	28,38,593
(v) Public Limited Companies	63,64,572
(vi) Co-operatives	56,645
	<u>2,30,65,337</u>

Less : T. Ts. received from parties in respect of which particulars are awaited from the Banks : (=) .. 9,478

2,30,55,867

## PUBLIC WORKS DEPARTMENT

## NOTIFICATION

Simla-171002, the 8th October, 1975

No. 9-16/73-PW (B)/75.—Whereas it appears to the Government of Himachal Pradesh that the land is required to be taken by the Government at public expense for a public purpose, namely for construction of Barsar-Deot Sidh road k. m. 5/0 to 9/0, it is hereby declared that the land described in the specification below is required for the above purpose.

This declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894 to all whom it may concern and under the provisions of section 7 of the said Act, the Collector, Land Acquisition, Himachal Pradesh Public Works Department, Hamirpur is hereby directed to take order for the Acquisition of said land.

A plan of the land may be inspected in the office of Collector, Land Acquisition, Himachal Pradesh Public Works Department, Hamirpur and in the office of the Executive Engineer, Barsar Division, Himachal Pradesh Public Works Department, Barsar.

## SPECIFICATION

District : HAMIRPUR Tehsil : BARSAR

Mauza	Tikka	Khasra No.	Area	
1	2	3	K.	M.
			4	5
GIARAGRAIN	HARSAUR	349/1	1	16
		352/1	0	9
		209/1	0	1
		474/364/1	0	8
		472/364/1	0	10
		399/1	1	7
		397/2	5	19
		400/1	0	11
		401/1	4	4
		403	4	12
		426/1	0	7
		427/1	0	12
		428/1	0	7
		404/1	1	13
		476/364	0	14
		473/374/1	0	5
		Total	23	15
GIARAGRAIN	MASLANA	147/1	0	3
		1019/148/1	0	2
		1020/148/1	0	3
		1063/149/1	0	5
		1064/194/1	0	3
		153	0	12
		1034/152/1	0	9
		154/1	0	2
		155/1	0	3
		156/1	0	6
		170/1	0	4
		319/1	0	1
		320/1	0	3
		318/1	0	8

315/1	0	6
313/2	0	16
307/1	0	12
307/2	0	11
306/1	0	3
256/1	0	2
255/1	0	1
174/2	0	11
175/1	1	3
101/2	1	19
180/1	0	2
181/1	1	1
182/1	0	4
197/2	5	15
344/2	1	3
345/1	0	5
346/1	0	6
354/1	0	2
355/1	0	10
356/2	2	0
357/1	0	11
358/1	0	15
359/2	0	2
163/1	0	3
364/4	0	5
365/1	0	2
667/2	0	6
636/L	0	3
637/1	0	4
646/1	0	5
1044/647/1	0	8
1045/647	0	3
648/1	0	6
649/1	0	2
650/1	0	1
651/1	0	2
652/1	0	1
700/1	0	2
701/1	0	7
702/1	0	11
703/1	0	4
704/1	0	11
705/1	0	8
707/1	0	5
816/1	0	7
815/1	0	12
816/1	0	7
817/1	0	2
847/1	0	3
819/1	0	3
812/1	0	3
701/2	0	8
810/1	0	1
854/2	0	16
848/1	0	2
843/1	1	9
845/1	0	4
844/1	0	3
842/1	0	5
1029/841/1	0	3
1030/841/1	0	10
842/1	0	5
877/1/2	11	3
169/1	0	6
168/1	0	2
171/2	0	14
172/1	1	2
366/1	0	14

1	2	3	4	5
		366/2	0	3
		366/3	0	3
		366/4	1	18
		Total	50	7
Grand Total			74	2

Note.—The difference in area arrived in case of under section 6 as compared to that of under section 4 is on account of some area deleted falling under the existing road for which no payment is to be made for Zila Parishad road.

By order,  
GANGESH MISRA,  
Secretary.

## भाग 2—बैधानिक नियमों को छोड़ कर विभिन्न विभागों के अध्यक्षों और जिला मैजिस्ट्रेटों द्वारा अधिसूचनाएं इत्यादि

### OFFICE OF THE DEPUTY COMMISSIONER LAHAUL AND SPITI DISTRICT, KEYLONG NOTIFICATION

Keylong, the 23rd September, 1975

No. 3734-47. —In pursuance of notification No. 12-33/74-Agr. (Sectt.), dated the 10th September, 1975 and read with letter No. 12-58/74-Agr. (Sectt.), dated 23rd August, 1975, I, S. S. Parmar, I.A.S., Deputy Commissioner, Lahaul and Spiti, hereby constitute the District Land Development Committee Lahaul and Spiti district for procurement and distribution of essential inputs in the Field of Agriculture. The following members are hereby nominated:—

1. Deputy Commissioner, Lahaul & Spiti .. *Chairman*
2. Block Development Officers, Lahaul at Keylong/Spiti at Kaza .. *Members*
3. Executive Engineer/Assistant Engineer (Irrigation) .. *Members*
4. District Horticulture Officer, Lahaul and Spiti .. *Member*
5. District Agriculture Officer, Lahaul and Spiti .. *Secretary*.

#### NON-OFFICIAL MEMBERS

1. Shri Hira Lal Thakur of Village Phura, P.O. Jahalman.
2. Thakur Duni Chand of Village Shashan, P.O. Sissu.
3. Shri Norbu Chhering, Chairman Panchayats Samiti Kaza.

S. S. PARMAR,  
Deputy Commissioner.

### HORTICULTURE DEPARTMENT NOTIFICATION

Simla-2, the 3rd October, 1975

No. 5-3/73-Udyan-II.—In exercise of the powers vested in me vide Rules 1.17 and 1.26 of Himachal Pradesh, Financial Rules (Vol-I), 1971, I hereby declare the Horticultural Economist, Department of Horticulture, Himachal Pradesh, Simla-2 as the Controlling Officer and the Drawing and disbursing Officer under the following Budget Heads:—

1. 305-Agriculture(p) Horticulture "Fruits" (p)(vi) Horticulture Marketing (p)(vi)(ii) Scheme for Picking Binding Grading and Packing of fruits (Plan).
2. 305—Agriculture (p) Horticulture "Fruits" (p)(iii) Development Horticultural Orchard and Nurseries (p) (iii)(i) Dev. Fruit Production Scheme (Non-Plan Part II).
3. 305—Agriculture (p) Horticulture (p)(vi) Horticulture Marketing (p)(vi)(i) Marketing Scheme (Plan).

2. Further in exercise of the powers vested in me under S.R.191 of the Fundamental and Supplementary Rules, I hereby declare the Horticultural Economist as Controlling Officer for the purpose of countersignatures of T.A. bills and Medical Re-imbursement Bills in respect of Class II, Class III and Class IV Officers/Officials working in the said Schemes.

3. The orders will take effect from the date of issue.

Sd/-  
Director.

### INDUSTRIES DEPARTMENT DECLARATION UNDER SECTION 24 OF THE ACT Simla, the 30th September, 1975

No. DIO/SML/LOAN/1970-71.—Whereas a notice was served on Shri Govind Singh s/o Shri Durga Singh, village Sunda Bhonda, P. O. Chirgaon, Tehsil Rohru, District Simla (H. P.) on 12-7-1971 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Govind Singh to pay to me the sum of Rs. 20,000.00 on or before 27-10-1971 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 20,000 plus interest plus penal interest is due from the said Shri Govind Singh and the property described in the attached schedule is liable for the satisfaction of the said debt.

#### SCHEDULE

Land measuring 12 Bighas 4 Biswas comprising Khasra No. 1063/9, 1061/2, 5, 8, 6 & 987/7 (Khata Khatauni Khewat No. 71, 72 Khatauni No. 119/121, 123) situated at village Sunda Bhonda, Tehsil Rohru belonging to Shri Durga Singh s/o Shri Khakal, r/o village Sunda Bhonda, P. O. Chirgaon, Tehsil Rohru.

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project, Simla district, Simla.

### DECLARATION UNDER SECTION 24 OF THE ACT Simla, 30th September, 1975

No. DIO/SML/LOAN/1971-72.—Whereas a notice was served on Shri Kalag Ram s/o Jai Ram, r/o village Sazar, Tehsil Rohru, P. O. Pujarli, District Simla on 27-8-75 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Kalag Ram to pay to me the sum of Rs. 2,142 plus interest on or before 20-9-75 and whereas the said sum has not been paid, I, hereby declare that the said sum of Rs. 5,000 plus interest plus penal interest is due from the said Shri Kalag Ram and the property described in the attached schedule is liable for the satisfaction of the said debt.



### SCHEDULE

1. House 5 storeyed consisting of 10 rooms situated at village Sazar, Khasra No. 18, 19, belonging to Shri Kalag Ram s/o Shri Jai Ram, P. O. Pujarli, Tehsil Rohru, District Simla, H.P.
2. Land measuring 11 bighas Khasra No. 200 Chuck Koti belonging to Shri Bhadar Singh s/o Sees Ram, village Koti, Tehsil Rohru, P. O. Pujarli, District Simla.
3. Land measuring 9 bighas 8 biswas Khasra No. 288/15 at village Sharog belonging to Shri Padam Dass s/o Shri Kewal Ram, P. O. Arhal, Tehsil Rohru, District Simla.

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project, Simla district Simla.

### DECLARATION UNDER SECTION 24 OF THE ACT

Simla, the 30th September, 1975

No. DIO/SML/LOAN/1970-71.—Whereas a notice was served on Shri Shadi Ram s/o Hari Nand, village and P.O. Arhal, Tehsil Rohru, District Simla (H.P.) on 25-8-75 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971 calling upon said Shri Shadi Ram to pay to me the sum of Rs. 2,856 plus 2,000 on or before 20-9-75 and whereas the said sum has not been paid, I, hereby declare that the said sum of Rs. 8,500 plus interest plus penal interest is due from the said Shri Shadi Ram and the property described in the attached schedule is liable for the satisfaction of the said debt.

### SCHEDULE

1. All assets of the borrower including book debts, stock, shares, premises and machinery whether existing or purchased with the amount of loan.
2. The property of the following two sureties:—  
1. Shri Bharat Singh s/o Shri Roop Singh, village Annu, P. O. and Tehsil Rohru, District Simla (H.P.).  
2. Shri Amar Singh s/o Shri Drancha, village and P.O. Arhal, Tehsil Rohru, District Simla, (H.P.).

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project, Simla district, Simla.

### DECLARATION UNDER SECTION 24 OF THE ACT

Simla, the 30th September, 1975

No. DIO/SML/LOAN/1973-74.—Whereas a notice was served on Shri Gulab Singh s/o Shri Murti Ram, r/o village Tikkari, P. O. Tikkari, Tehsil Rohru, District Simla (H.P.) on 2-9-75 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Gulab Singh to pay to me the sum of Rs. 1,400 plus interest on or before 20-9-75 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 9,500 plus interest plus penal interest is due from the said Shri Gulab Singh and the property described in the attached schedule is liable for the satisfaction of the said debt.

### SCHEDULE

1/6th share of land totally 8 bighas measuring 18 biswas comprised in Khata/Khatauni Nos. 19/24, khasra No. 24 situated at village Gumma, P. O. Tikkari belonging to Shri Gulab Singh s/o Shri Murti Ram, village Tikkari, Tehsil Rohru.

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project, Simla district, Simla.

### DECLARATION UNDER SECTION 24 OF THE ACT

Simla, the 30th September, 1975

No. DIO/SML LOAN/1965-66.—Whereas a notice was served on Shri Devi Ram s/o Shri Sobhia, village Goweck, P.O. Majhar, Tehsil Theog, District Simla, H.P. on 20-8-74 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Devi Ram to pay to me the sum of Rs. 5000 + Rs. 2800 on or before 15-9-1974 and whereas the said sum has not been paid, I, hereby declare that the sum of Rs. 5000 + interest + penal interest is due from the said Shri Devi Ram and the property described in the attached schedule is liable for the satisfaction of the said debt.

### SCHEDULE

1/2 share of land comprised in Khata No. 742 Khasra No. 644, 1190/646, 678, 691 situated in village Goweck (Dharech) measuring 5-2 Bighas belonging to Shri Devi Ram s/o Shri Sobhia, village Goweck, Tehsil Theog.

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project, Simla district, Simla.

### DECLARATION UNDER SECTION 24 OF THE ACT

Simla, the 30th September, 1975

No. DIO/SML LOAN/1962-63.—Whereas a notice was served on Shri Shiv Ram s/o Shri Bala Nand, village Bhallow, Tehsil Rohru, District Simla (H.P.) on 3-1-75 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Shiv Ram to pay to me the sum of Rs. 4166.66 plus interest on or before 15-1-1975 and whereas the said sum has not been paid, I, hereby declare that the said sum of Rs. 4166.66 + interest + penal interest is due from the said Shri Shiv Ram and the property described in the attached schedule is liable for the satisfaction of the said debt.

### SCHEDULE

- (1) Land comprised in Khasra No. 861/482/1 situated in Abadi Deh in Village Bhallow, Chak, Tehsil Rohru, District Simla, measuring 7 Biswas belonging to Shri Shiv Ram s/o Shri Bala Nand.
- (2) Three storeyed building consisting of ten rooms standing on the land comprised in Khasra No. 861/382/1 in the village Bhallow belonging to Shri Shiv Ram s/o Shri Bala Nand.

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

## DECLARATION UNDER SECTION 24 OF THE ACT

*Simla, the 30th September, 1975*

**NO. DIO/SMO LOAN/1970-71.**—Whereas a notice was served on Shri Des Raj s/o Ajodhya Prashad, Village and P.O. Rohru, Tehsil Rohru, District Simla (H.P.) on 23-8-1975 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Des Raj to pay to me the sum of Rs. 4,286 plus interest on or before 20-9-1975 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 4,286+interest+penal interest is due from the said Shri Des Raj and the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

- (1) Shop single storeyed consisting of one room standing on Khasra No. 471 situated village Rohru belonging to Shri Des Raj s/o Shri Ajodhya Prashad.
- (2) Land 30 Bighas comprising in Khasra No. 1050 Khatauni No. 58/94 situated at village Balsa, Tehsil Rohru, belonging to Shri Jai Ram s/o Shri Dhayan Singh, village Balsa, Tehsil Rohru.
- (3) Land 15 Biswas comprising in Khasra No. 961 khatauni No. 45/76 situated at Samoli, Tehsil Rohru, belonging to Shri Bindal Singh s/o Shri Chanderbir.

**S. S. GHUMMAN,**  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

## DECLARATION UNDER SECTION 24 OF THE ACT

*Simla-2, the 6th October, 1975*

**No. DIO/SML Loan/1973-74.**—Whereas a notice was served on Shri Pyare Lal Kalsi s/o Chandu Lal Kalsi, village and P. O. Suni, Sub, Tehsil Suni, District Simla, Himachal Pradesh on 1-9-75 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Pyare Lal Kalsi to pay to me the sum of Rs. 142+Rs. 215, on or before 30-9-75 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 1,000+interest+penal interest is due from the said Shri Pyare Lal Kalsi and the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

All assets of borrower including book debts, stock, shares, premises and machinery whether existing or purchased with the amount of loan.

**S. S. GHUMMAN,**  
Project Executive Officer,  
Rural Industries Project, Simla  
district, Simla.

## DECLARATION UNDER SECTION 24 OF THE ACT

*Simla, the 6th October, 1975*

**No. SML Loan. RIP/65-66.**—Whereas a notice was served on Shri Med Ram, village Sharog, Paragna

Mool bari, P. O. Ghanatti, Tehsil Simla, Himachal Pradesh on 10-9-75 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971 calling upon said Shri Med Ram to pay to me the sum of Rs. 1500/-+500 on or before 20-9-75 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 1500+interest+penal interest is due from the said Shri Med Ram and the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

I. 1/5 of 11/12 share of land comprised of Khasra No. total 27, Khata Khatauni No. 4/11, measuring 35 bighas 13 biswas, situated in village Kairoo, Tehsil Simla, District Simla (H. P.) belonging to Shri Med Ram s/o Purnoo.

II. 4/5 of 11/12 share and 1/12 share of land comprised of Khasra No. total 27 Khata Khatauni No. 4/11, measuring 35 bighas 13 biswas, situated in village Kairoo, Tehsil Simla belonging to S/Shri Shiv Ram, Narainu, Dip Ram, Gita Ram, alias Rajesh Kumar and Bhoop Ram s/o Shri Purno, Village Sharog, Tehsil Simla, Himachal Pradesh.

**S. S. GHUMMAN,**  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla

## DECLARATION UNDER SECTION 24 OF THE ACT

*Simla, the 6th October, 1975*

**No. DIO/SML Loan/1964-65.**—Whereas a notice was served on Shri Ram Saran s/o Shri Hari Ram, village Khadraw (Cholli) P. O. (Cheog), Tehsil Theog, District Simla (H. P.) on 26-12-74 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Ram Saran to pay to me the sum of Rs. 2,500+interest on or before and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 2500+interest+penal interest is due from the said Shri Ram Saran and the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

1. 1/3 share of land comprised in Khasra Nos. 118, 162 and 163 situated in village Khadraw, (Cholli), Teh. Theog, measuring 11 bighas and 11 biswas belonging to Shri Ram Saran s/o Sh. Hari Ram, village Khadraw (Cholli), P. O. Cheog, Teh. Theog.

2. 1/2 share of land comprised in Khasra Nos. 118, 162 and 163 situated in village Khadraw (Cholli), Tehsil Theog, measuring 11 bighas 11 biswas belonging to S. Sh. Ram Dass s/o Sh. Hari Ram and Lachhman s/o Shri Hari Ram, village Khadraw (Cholli) P. O. Cheog, Teh. Theog, District Simla H. P.

**S. S. GAUMMAN,**  
Project Executive Officer,  
Rural Industries Project,  
Simla district Simla

## DECLARATION UNDER SECTION 24 OF THE ACT DECLARATION UNDER SECTION 24 OF THE ACT

Simla, the 6th October, 1975

Simla, the 8th October, 1975

**DIO. SML. LOAN/72-73.**—Whereas a notice was served on Sh. Bhagwan Dass s/o Sh. Daya Ram, V. Ranol, P. O. Devidhar, Teh. Rohru, Distt. Simla on 27-8-75 under section 23 of the H. P. State Aid to Industries Act, 1971, calling upon said Sh. Bhagwan Dass to pay to me the sum of Rs. 8,000 + upto date interest on or before 25-9-75 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 8,000 + interest + penal interest is due from the said Shri Bhagwan Dass and the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

1. All assets of borrower including book debits, stock, shares, premises and machinery whether existing or purchased with the amount of loan.

2. Property of two sureties:—

- (1) Sh. Kahan Chand s/o Sh. Singhi, V. Dasha-lni, P. O. & Teh. Rohru, Distt. Simla, H. P.
- (2) Sh. Hari Saran s/o Sh. Sufin Dass, V. Dashalni, P. O. & Teh. Rohru, Distt. Simla (H. P.).

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

**No. DIO. SML. LOAN/62-63.**—Whereas a notice was served on Shri Parmod Singh s/o Shri Ram Saran, V. Paravanthi, P.O. & Tehsil Jubble, District Simla H. P. on 12-9-75 under section 23 of the H. P. State Aid to Industries Act, 1971, calling upon said Shri Parmod Singh to pay to me the sum of Rs. 1,200 + interest on or before 30-9-75 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 1,200 + interest + penal interest is due from the said Shri Parmod Singh and the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

1. All assets of borrower including book debits, stock, share, premises and machinery whether existing or purchased with the amount of loan.

2. Property of the following two sureties:—

- (1) Thakur Ram Saran Dass s/o Shri Hari Singh, V. Paravanthi, Tehsil Jubble, District Simla.
- (2) Thakur Surat Ram Aukta s/o Shri Hari Ram, V. & P. O. & Tehsil Jubble, District Simla (H.P.)

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

## DECLARATION UNDER SECTION 24 OF THE ACT DECLARATION UNDER SECTION 24 OF THE ACT

Simla, the 6th October, 1975

Simla, the 8th October, 1975

**No. DIO. SML. LOAN/62-63.**—Whereas a notice was served on Sh. Dharam Dass s/o Sh. Mani Ram, V. Kuthana, Teh. Theog, Distt. Simla, H. P. on 5-10-65 under section 23 of the H. P. State Aid to Industries Act, 1971, calling upon said Sh. Dharam Dass to pay to me the sum of Rs. 3,749.99 + interest on or before 25-10-65 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 3,749.99 + interest + penal interest is due from the said Sh. Dharam Dass and the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

1. All assets of borrower including book debits, stock, share, premises and machinery whether existing or purchased with the amount of loan.

2. Property of the following two sureties:—

- (1) Sh. Maou s/o Sh. Ruldoo, Village Dhanot, Teh. Theog, Distt. Simla.
- (2) Sh. Laig Ram s/o Sh. Balia, Village Dhanot, Teh. Theog, Distt. Simla (H. P.).

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

**No. DIO. SML. LOAN/67-68.**—Whereas a notice was served on Sh. Durga Singh s/o Sh. Shiv Ram, V. Udar, P. O. Kandroo, Sub-Tehsil Kumarsain, Distt. Simla on 15-9-75 under section 23 of the H. P. State Aid to Industries Act, 1971, calling upon said Shri Durga Singh to pay to me the sum of Rs. 10,000 + 6,800 on or before 30-9-75 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 10,000 + interest + penal interest is due from the said Shri Durga Singh and the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

1. One house 3 storeyed consisting of 3 rooms situated at V. Koti, Teh. Theog and land measuring 40 bighas situated at V. Koti, Teh. Theog belonging to Shri Bishan Singh s/o Shri Ram Nath, V. Koti Madhan, Teh. Theog, Distt. Simla.

2. One house two storeyed consisting of 8 rooms situated at V. Udar-Kandroo, Sub-Teh. Kumarsain and land measuring 48 bighas at V. Udar-Bagain, Sub-Teh. Kumarsain belonging to Shri Shiv Ram s/o Devi Datt, Udar Kandroo, Sub-Teh. Kumarsain, District Simla.

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

**भाग 3—अधिनियम, विधेयक और विधेयकों पर प्रवर समिति के प्रतिवेदन, वैधानिक नियम तथा हिमाचल प्रदेश के राज्यपाल, हिमाचल प्रदेश हाई कोर्ट, फाइनेन्शियल कमिशनर तथा कमिशनर आफ इन्कम-टैक्स द्वारा अधिसूचित आदेश इत्यादि**

**FISHERIES DEPARTMENT**

*Simla-2, the 15th/16th October, 1975*

No. 10-22/73-Fish (Sectt.).—Whereas the draft rules for the protection of fish in the waters of Tirthan Stream in Kulu/Mandi districts were published as required under section 6 (1) of the Indian Fisheries Act (IV of 1897) as applied to the State of Himachal Pradesh, in the Official Gazette—Himachal Pradesh Rajpatra, dated the 10th May, 1975—for the information of the persons likely to be affected and for inviting objections and suggestions from them within a period of 15 days from the date of their publication in the aforesaid Official Gazette;

2. And whereas the Director of Fisheries, Himachal Pradesh has not received any objection or suggestion from the persons likely to be affected within the prescribed period.

3. Now, therefore, in exercise of the powers conferred by section 6 (1) of the aforesaid Act, the Governor, Himachal Pradesh, hereby makes the following rules:—

**RULES**

1. (1) These rules may be called the rules for the protection of fish in the waters of Tirthan Stream in Kulu/Mandi districts.

(2) These shall come into force from the date of issue of the notification.

2. All fishing is prohibited for a period of two years in Tirthan Stream in Kulu/Mandi districts.

3. Any breach of rule 2 shall be punishable with fine which may extend upto one hundred rupees; and when the breach is a continuing one, with a further fine, which may extend to ten rupees for every day after the date of first conviction, during which the breach is proved to have been persisted in.

4. Any fixed engine, or net or other implement for fishing used in contravention of rule 2 may be seized by any Police Officer or other person specially empowered (by name or by virtue of his office) in this behalf.

5. Any fixed engine erected or net used in contravention of rule 2 and any fish taken by means of such fixed engine or net, shall be liable to be seized and forfeited:

Provided that no order of forfeiture shall be passed except by the Magistrate having jurisdiction:

Provided further that the seized fish, which is subject to speedy and natural decay, may be sold by the Fisheries Officer and the proceeds thereof dealt with in accordance with the procedure laid down for all receipts under 'Fisheries' subject to any orders by the Court.

**B. K. SHARMA,**  
Secretary.

**HORTICULTURE DEPARTMENT  
NOTIFICATION**

*Simla-2, the 1st October, 1975*

No. 29-1/72-Hort. Sectt. (Vol. II).—In exercise of the powers conferred by proviso to Article 309 of the Constitution of India and all other powers enabling him in this behalf, the Governor, Himachal Pradesh, is pleased to make the following further amendments in the H.P. Horticulture Class III (Executive Section) Service (Recruitment, Promotion and certain conditions of service) Rules, 1973 (Part I) notified vide notification No. 29-1/72-Hort. Sectt. dated 6th August, 1973 as further amended vide two notifications of even number dated the 17th December, 1973 and 12th June, 1974 (hereinafter referred to as the said Rules) with immediate effect:—

**AMENDMENTS**

In the appendix 'A' to the said Rules:—

(1) Against the posts of Senior Technical Asstt. (Plant Protection), Horticultural Inspectors, Plant Protection Inspectors, and Bee-keeping Inspectors/Research Asstt. (Bee-keeping), in Col. 7 after entry (i) under heading 'Desirable' the following entry shall be inserted as No. (ii):—

“(ii) Knowledge of customs, manners and dialects of Himachal Pradesh and suitability for appointment in the peculiar conditions prevailing in the Pradesh.”

(2) Against the posts of Manager-cum-Chemist and Horticultural Inspectors (Marketing) in Col. 7 the following new entry shall be inserted:—

“Desirable” Knowledge of customs, manners and dialects of Himachal Pradesh and suitability for appointment in the peculiar conditions prevailing in the Pradesh.”

(3) Against the post Photographer in Col. 7 after entry No. (ii) under heading, 'Desirable' the following entry shall be inserted as No. (iii):—

“(iii) Knowledge of customs, manners and dialects of Himachal Pradesh and suitability for appointment in the peculiar conditions prevailing in the Pradesh.”

(4) Against the post of Fruit Preservation Asstt./Quality Control Inspector and Boiler attendant-cum-Mechanic in Col. 7 under heading 'Desirable' the existing provision shall be numbered (i) and the following entry shall be inserted as No. (ii):—

“(ii) Knowledge of customs, manner and dialects of Himachal Pradesh and suitability for appointment in the peculiar conditions prevailing in the Pradesh.”

**S. M. VERMA,**  
Under Secretary.

**WELFARE DEPARTMENT**

**NOTIFICATION**

*Simla-171002, the 22nd August, 1975*

No. 22-2/69-Vol. II-Wel-Sectt.—In supersession of this Department notification No. 22-2/69 Wel-Sectt., dated the 4th September, 1973 the Governor, Himachal Pradesh, is pleased to notify the following Rules for Grant of Housing Subsidy to Backward Classes in Himachal Pradesh for general information:—

**HIMACHAL PRADESH HOUSING SUBSIDY TO BACKWARD CLASSES RULES, 1975**

1. *Title and Commencement.*—(i) These Rules shall be called the Himachal Pradesh Grant of Housing Subsidy to Backward Classes Rules, 1975.

(ii) They shall extend to the whole of Himachal Pradesh and shall come into force from the date of issue of this notification in Rajpatra.

2. *Definitions.*—In these rules, unless the context otherwise requires:—

- (a) "Annexure" means Annexure to these rules.
- (b) "Backward Classes" means communities declared as Scheduled Castes, Scheduled Tribes in Himachal Pradesh under the Constitution of India and include Vimukhat Jatis (Denotified Tribes) declared by the Government from time to time.
- (c) "Director" means the Director of Welfare, Himachal Pradesh.
- (d) "District Committee" means the District Welfare Committee constituted and notified by the Government, under Rule 14.
- (e) "Sanctioning Authority" means the Director of Welfare, Himachal Pradesh.
- (f) "Governor" means the Governor of Himachal Pradesh.
- (g) "District Welfare Officer" means the Officer incharge of Welfare Programmes in the concerned District.
- (h) "Government" means the Government of Himachal Pradesh.

3. *Eligibility and Purpose.*—(1) The subsidy shall be admissible to such members of the Backward Classes whose annual income does not exceed Rs. 6,000/- and who do not own a house-site or a house of the prescribed specifications and further have not received similar grant of subsidy previously from any other source for the purchase of house site or for the construction or repair of a house. Subsidy shall be available also to person whose house has been destroyed wholly or partly in natural calamity like flood & fire, even if he had previously been granted subsidy. Where subsidy is allowed to the Scheduled Castes for colonies similar assistance under the same terms and conditions may also be allowed to cover non-scheduled castes upto the maximum of 25% provided the non-scheduled castes undertake to construct their houses in the colony of Scheduled Castes. The housing subsidy shall be granted only for the following purposes, namely:—

- (i) repair/renovation of existing houses;
- (ii) construction of new houses to those who own a house-site for the construction of a new house; and

(iii) purchase of house-sites to those to whom land is not provided on nazrana rates.

(2) The following priorities shall be kept in view in the matter of granting housing subsidy:—

- (a) priority to those whose houses have totally been damaged and are liable to collapse or have collapsed and warrant immediate repairs;
- (b) priority to those who do not own any house of their own to live in but have got house-site for constructing a new house; and
- (c) priority to those who live in a single room and share it with their cattle.

4. *General Pattern.*—The general pattern of housing schemes shall be as under:—

- (a) The minimum accommodation to be provided in each house shall have a floor area of atleast 180 Sq. ft. consisting of a living room and a kitchen-cum store. In addition a bathing plat form and a cheap sanitary latrine may be provided wherever feasible.
- (b) While locally available building material may be utilized to the maximum possible extent, the nature of construction and the choice of specification shall be such that the roof of the house should last not less than 10 years with reasonable repairs and maintenance by the occupant. If the walls are built with non-durable material, the roof should be carried independently on posts or pillars of durable construction.
- (c) Director shall have the power to allow any suitable change in the above pattern according to local conditions and on the recommendations of the District Committee.

5. *Considerations.*—The following considerations shall be kept in view for the grant of subsidies under these rules:—

- (a) the benefit of assistance for house-sites and housing subsidy shall go to the poorest among the Backward Classes;
- (b) as far as possible, assistance for housing shall be given to a group of families coming together either in the form of a Co-operative or otherwise, instead of individuals. This will facilitate acquiring of land and developing sites and also construction of houses on a pattern consistent with modern standards of town and country planning;
- (c) in the process of encouraging construction of housing colonies, instead of isolated houses, due precaution shall be taken to ensure that it does not lead to segregation of Scheduled Castes etc.
- (d) title to land shall be a pre-requisite for the grant of subsidy where it is granted for construction of a new house.

6. *Subsidy for House-sites.*—For grants for house-sites to Backward classes the quantum of subsidy shall be upto Rs. 300/- per family or the actual cost of the land to be purchased, whichever is less. Government may enhance or reduce this limit.

- (a) The subsidy shall be granted to such deserving persons only who apply for the grant of this assistance in the prescribed form in Annexure I and whose names are recommended by the

Provided that notwithstanding anything herein contained, the Government may in very exceptional cases and for reasons to be recorded in writing, accept/reject wholly or partially the recommendations of the District Committee and bring about such changes in the lists of beneficiaries drawn by the said Committee' as it may deem fit.

- (c) Only those beneficiaries who are prepared to purchase a house-site within six months and are in a position to construct houses thereon within three years will be considered for the grant of this subsidy.

## SCHEDULE

(c) The subsidy shall be granted to such deserving persons belonging to the Backward Classes who apply for the grant of such assistance in the prescribed form in Annexure III and whose names are recommended by the District Committee.

Provided that no subsidy shall be admissible for the construction of a house the estimated cost of which exceeds Rs. 4000/-.

- (d) For repairs/renovation of existing houses the quantum of maximum subsidy shall be limited to half the amount of subsidy admissible for new construction in the respective areas (i. e. Rs. 1,500/- in areas subject to heavy snowfall and Rs. 1,000/- in others).

8. *Procedure for disbursement of subsidy and execution of Bonds.* (a)—After receipt of sanction(s) the subsidy amount will be deposited in the State Bank Nationalised Bank/Himachal Pradesh State Co-operative Bank in a Savings Bank-Account in the names of the beneficiaries concerned by the District Welfare Officer, in an account pledged to him (the District Welfare Officer) and shall be released by him in instalments either through R. T. R. or Bank draft where such facilities are available, or in cash where Banking facility is not available, after necessary verification/and satisfying himself that the amount is being utilised properly and for the rightful purpose, in the manner prescribed hereunder. The beneficiaries shall utilise the interest accrued thereon on the construction/repair of the house—

- (i) first instalment equivalent to 20% of the total amount of subsidy sanctioned shall be released when foundation has been dug and necessary bonds/agreements executed;
- (ii) second instalment equivalent to 50% of the total amount of subsidy sanctioned shall be released at the time when construction upto plinth level has been completed; and
- (iii) third instalment equivalent to the balance amount of subsidy shall be released at the time when construction upto roof level has been completed.

In the case of subsidy for the repair of houses the amount sanctioned shall, however, be released in lump-sum after execution of necessary Bond/Agreement.

(b) Each beneficiary shall execute a Bond with two sureties in the prescribed form, Annexure-IV, before disbursement of any subsidy. The Bond/Agreement shall, however, be free from the payment of stamp duty and it should be duly attested by Magistrate/Tehsildar:

Provided that the number and rate of instalments indicated in sub-rule (a) of this Rule may be altered in special cases and for reasons to be recorded in writing, by the Director.

- (c) The subsidy for house-sites shall be disbursed on the execution of an agreement on the prescribed form.



in Annexure-V and will be subject to the conditions mentioned therein. The grantee shall also arrange for the execution of Surety Bond (duly attested by a Magistrate/Thesildar) in form, Annexure-VI. No stamp duty shall be payable on these Bonds.

(d) The grantee shall execute the receipt in support of having received the amount of subsidy in form, Annexure-VII.

(e) At the time of releasing last instalment of subsidy it will be verified and certified by the District Welfare Officer, that the beneficiary has actually contributed his share of 25% in cash, kind or labour of the money required, over and above the amount of subsidy, for the completion of house.

9. *Condition and Period of Utilisation.*—The grant shall not be inconsistent with the declared policy of the Government and shall further be governed by the provisions of these rules and such further terms and conditions as may be prescribed by the Government from time to time.

(a) the grant shall be utilised on the same object for which it has been sanctioned within two years from the date of sanction of the subsidy in areas subject to heavy snow-fall and within eighteen months in other areas:

Provided that the Director may further extend the period of utilisation by not more than six months in cases where he is satisfied that the subsidy could not be utilised within the prescribed period for genuine reasons;

(b) the unspent portion of the grant lying with the District Welfare Officer shall be refunded and deposited in Government treasury on the expiry of utilisation period under relevant receipt head of Welfare Department.

10. *Submission of Utilisation Certificates.*—Utilisation Certificates will be sent by the District Welfare Officer in Form, Annexure-VIII to the Director. The Director shall send the Utilisation Certificates to audit office. Copies of these Certificates shall also be available in the office of the District Welfare Officer for scrutiny by the audit or the Government.

11. *Procedure.*—The proposals for the grant of housing subsidy and subsidy for the purchase of house-sites will be conceived and implemented as a part of an integrated programme of uplift of backward classes. All applications/requests for the grant of such subsidies under these rules shall be thoroughly scrutinized by the District Welfare Officer concerned, placed before the District Committee who shall, keeping in view the budget provision available for the district during that particular year, recommend cases of the most deserving persons, only the cases so approved by the District Committee will be forwarded by the District Welfare Officer:

Provided that the Chairman of the Committee may recommend cases falling under natural calamity to the Director, in anticipation of the formal approval of the Committee.

Before forwarding such proposals to the Director the District Welfare Officer concerned will ensure:—

(i) That the proposal is accompanied with a statement

containing full particulars, viz. name of the beneficiary his father/husband, village Panchayat, Tehsil, Caste, annual income and Profession or trade being followed in duplicate;

(ii) that in case(s) where housing subsidy to a particular beneficiary has been given in the previous year such cases shall be referred separately and full particulars of the previous grant shall be invariably given;

(iii) that the person (s) to whom subsidy is recommended to be granted or entitled to receive it under the provision of these rules and that all other requirements of these rules and instructions issued on the subject from time to time, if any, have been fully satisfied;

(iv) the District Welfare Officer shall invariably record all the certificates prescribed in Annexure IX just below the lists containing the particulars of the beneficiary recommended for the grant of subsidy.

(v) the original application shall be retained in the office of the District Welfare Officer which shall be available for scrutiny by audit or Government.

12. *Examination of proposals at the Directorate level Communication of sanctions and maintenance of account thereof.*—(a) On the receipt of the proposals from the field officers these will be scrutinized and examined in the office of the Director who will satisfy himself/herself that the requirements of these rules had been fully complied with. The Director shall be within his/her power to reject or refer back to the concerned District Welfare Officer the cases of doubtful nature for further verification.

(b) All sanctions shall be communicated in the name of the District Welfare Officer who shall maintain proper account thereof. It shall be exclusively the duty of the District Welfare Officer to ensure and verify wherever necessary, that funds are utilised properly and in accordance with these rules. Copies of sanctions shall also be endorsed to the audit and account office.

13. *Leasing out on rent the houses constructed with Subsidy.*—Government reserves the right to charge 75% of the amount of rent for such time the premises continue to be on lease or till the recoveries so made accrue to the Government amount equivalent to the amount of subsidy, whichever is earlier, if the houses so constructed/repared with the amount of subsidy are leased on rent within five years from the date of completion/utilisation of grant. No beneficiary who has constructed/repared his house with Government subsidy shall sell mortgage or dispose of the said house for a period of at least ten years from the date of completion of the construction/repair of the house. The consolidated record, showing the details of such cases where recoveries in obedience to these rules have to be made, will be maintained in the office of the District Welfare Officer and shall be available for scrutiny by the audit. The Director shall obtain annual return in respect of such cases from the District Welfare officers in an appropriate form.

14. *Formation of District Committees.*—(a) The constitution of the District Committee shall be as may be notified by the Government from time to time. Quorum of the Committee shall be as provided in the

notification of the constitution of the concerned committee.

(b) The members of the committee will be competent to inspect works, from time to time.

**15. Issue of further executive instructions.**—The sanctioning authority shall issue further executive instructions/orders from time to time, if any, regulating mode of disbursement of grants, time table for submission for proposals and may prescribe such returns or statements, as it may deem fit.

**16. Quantum of subsidy to be given by availability of funds.**—The sanction of subsidies under these rules is subject to the availability of funds and the sanctioning authority reserves the right to determine the amount of subsidy to be given, in each case, in proportion to the funds available.

**17. Annual Reports.**—At the end of each year the District Welfare Officer shall send a narrative report to the Director indicating the funds utilised, persons benefited, houses constructed during the year, particulars of persons with details of amount of subsidy given to each particular of persons who failed to utilise the funds properly and to the desired extent etc. etc. He shall also state if the unspent portion of the grant, wherever due, have been realised and deposited into the Government Treasury. The Director shall send a consolidated report in this behalf to the Audit Office and the Government along with his/her comments.

**18. Inspection of Works.**—The Officers of the Welfare Department or any other officer nominated by the Government shall have the right to visit and inspect the works being carried on with the amount of subsidy. The District welfare officer shall himself visit at least 25% houses constructed by the grantees and shall ensure that he grants are properly utilised in accordance with the terms & conditions applicable thereto. The verification of construction/repair of houses at various stages may be undertaken by any member of the Committee. Cases of breach shall be immediately reported to the District Welfare Officer who shall take necessary steps for effecting recoveries from such defaulters in terms of the provisions of rule 19 of these Rules and the Bond.

**19. Recoveries.**—In cases where the District Welfare Officer is satisfied that the subsidy under the scheme has been granted to an undeserving person(s) or has been secured by fraudulent means or the amount of the subsidy has been misutilised or only partly utilised or he has sold, mortgaged or disposed of such house constructed/ repaired with the help of Government subsidy. In contravention of these Rules, he shall have the right to recover from such person (s) and or the surety/ sureties, who is/are jointly or severally liable to refund the amount of subsidy the whole or part of the amount of the subsidy, as the case may be, as arrears of land revenue.

**20. Write Off of grants.**—Only in exceptional cases, proposals for writing off of such grants shall be sent by the District Welfare Officers to the Director for obtaining approval of the competent authority in terms of Rule 18.3 of the Himachal Pradesh Financial Rules, 1971 as amended from time to time. Proposal for writing off irrecoverable amounts shall be made only if recoveries cannot be effected from the grantee or his sureties indicated in the Bond in terms of the provisions of these rules.

**21. Protection to the grantees.**—The sanction of subsidy shall not deprive any beneficiary of any rights/benefits, such as getting timber etc. on right holders rates, which otherwise could have been allowed to him,

**22. Powers of payment of subsidy to the legal heirs in case of death of the original beneficiaries.**—In case any beneficiary dies before the release of all the three instalments and completion of house, the respective Deputy Commissioners (Chairman of the District Committee) shall have the power to allow the balance amount of subsidy to the actual heirs of the deceased, provided such legal heirs do not possess a house of their own separately and further fulfil the pre-requisites contained in these rules. However, before allowing the balance subsidy to the legal heirs of the deceased, a Bond in the prescribed form Annexure-X, shall be got executed. The grantee will also arrange for a surety bond in form, Annexure-VI.

**23. Custody of Bonds/Agreements.**—The Bonds/Agreements executed by the beneficiaries shall be kept under proper custody by the District Welfare Officers and shall be produced before Audit and other inspecting authority as and when required.

**24. Head of Accounts.**—The subsidy will be debitable to the following heads of accounts or such other heads of accounts as may be prescribed by the Government, from time to time :—

1. In the case of Sch. 288—Social Security and Welfare —C—Welfare of Sch. Castes and other backward Classes. Castes, Sch. Tribes and other Backward Classes (b) Welfare of Sch. Castes (b) (iii) housing subsidies.
2. In the case of scheduled Tribes. 288—Social Security and Welfare —C—Welfare of Scheduled Castes, Scheduled Tribes and other backward Classes (c) Welfare of Scheduled Tribes (c) (iii) housing subsidies.

#### ANNEXURE I

##### Rule 6 (a)

Application for the grant of subsidy for the purchase of House site.

To

The District Welfare Officer,

.....

I request for the sanction of subsidy amounting to Rs-..... under this scheme and give particulars required against each item in the application.

1. Applicant's name (in Block letters).....
2. Father's/Husband's name (in Block letters).....
3. Caste.  
(Whether Scheduled Caste or Scheduled Tribe).
4. Applicant's full address:—Village, Post office, Thana, Panchayat, Tehsil, District.
5. Age of the applicant.
6. Occupation.

7. Particulars of dependents living with the applicant.
8. Do you own any land already? if so, give details thereof.
9. Do you own a house of your own? (Answer 'Yes' or 'No').
10. Has any relative of your applied for the grant of this assistance? If so, give particulars and your relationship with him.
11. Do you undertake to buy a house-site within six months of the receipt of subsidy amount, in case it is sanctioned to you?
12. Do you undertake to construct a house on the plot so purchased within three years?
13. The annual income of the applicant from all sources.

I certify that the information given above is correct to the best of my knowledge and belief and that nothing has been concealed.

Dated. *Signature of the applicant.*  
Permanent Address.

*Signature of Tehsildar/Magistrate.*

Verification

The above facts are verified.

#### ANNEXURE II

##### Rule 7

#### LIST OF AREAS BORDERING ON THE HIMALAYAS SUBJECTED TO HEAVY SNOWFALL

Excepting Bilaspur (Excluding Bhadurpur area) all the other districts are subject to snow fall. The name of places in each district are indicated as under:—

##### 1. SIMLA DISTRICT.

Narkanda  
Rampur  
Khadrala  
Kotgarh  
Kotkhali  
Thanadhar  
Theog and Jubbal  
Matiana  
Baghi  
Simla Tehsil  
(i. e. the whole of Simla district except Suni Sub-Tehsil).

##### 2. CHAMBA DISTRICT.

Tehsil and Sub-Tehsil  
Pangi,  
Bharmour  
Tissa  
Chamba

##### 3. SIRMUR DISTRICT.

Sarahan  
Pachhad Tehsil.  
Ranuka  
Trans Giri Areas.

##### 4. MANDI DISTRICT.

Parts of Tehsil Sadar Jogindernagar, Karsog, Chachiot.

##### 5. KINNAUR DISTRICT.

(as a whole)

##### 6. LAHAUL & SPITI DISTRICT. (Whole of District).

##### 7. KULU DISTRICT Manali.

##### 8. KANGRA DISTRICT. Upper areas of Dharamsala & Palampur.

#### ANNEXURE II

##### [Rule 7 (a)]

#### SUBSIDY SCHEME FOR HOUSES FOR SCHEDULED CASTE EX-CRIMINAL TRIBES

(Application for grant of subsidy for a house)

To

The District Welfare Officer,

I request for the sanction of subsidy of Rs. .... under this Scheme and give particulars required against each item in the application.

1. Applicant's name (Block letters)
2. Father's/Husband name (Block letters)
3. Caste.  
(Whether Scheduled Caste or Scheduled Tribes).
4. Applicant's full address village. Tehsil, District.
5. Applicant's age.
6. Occupation.
7. No. of dependents living with the applicant.
8. (a) Do you own a house or a portion of a house already? if so, give particulars.  
Place  
Approximate value of the house.  
(b) If you own a house already, state briefly the reasons why you wish to build another house.  
(c) Do you certify that you will live in the house to be built with subsidy, yourself?  
(d) Has any other relative of your applied for subsidy? if so, give his name, address and relationship.
9. Particulars regarding the building site for the house.  
(a) Do you own a plot of land for construction of house. If so, Tatima & Extract of latest Jamabandi be attached.  
(b) If so, give the particulars:—  
Location.  
Encumbrances, if any, on the plot.  
(No application will be considered if the applicant does not own a plot).
10. Do you certify that you will spend 25% of the cost of whole house yourself?
11. Do you undertake to start construction of the house within two months of the receipt of the 1st instalment and complete if by.....
12. Do you undertake to construct the house according to the (Specifications under the rules).
13. Do you undertake to give surety who will execute a bond to ensure that you will construct the house with this money within the stipulated time and that the whole money of subsidy will be spent on the house alone.
14. Annual income of the applicant from all sources.

I certify that the above information is correct to the best of my knowledge and belief and that nothing has been concealed.

I have read the terms and conditions applicable to the grant and undertake to abide by them.

Date..... Signature of the Applicant.

### CERTIFICATE OF AUTHENTICITY

(This certificate has to be signed by an M. I. C./Gazetted Officer posted in your District).

1. Name.....Address.....  
Certified that (name of the applicant).....  
.....is personally known to me and that to the best of my knowledge and belief, the statements in the application are correct.

Place..... Signature of Attestor.  
Dated..... Address:—

### ANNEXURE IV

[Rule 8 (b)]

By this Bond, we.....son of.....  
Caste..... Resident of..... Tehsil.....  
..... District..... (Principal) and Shri.....  
son of.....Caste..... Resident of.....  
..... Tehsil..... District.....  
(Surety No. I) Shri.....s/o.....  
Caste..... Resident of..... Tehsil.....  
..... District..... (Surety No. II) are jointly  
and severally bond to the Governor, Himachal Pradesh  
in the sum of Rs..... to be paid to the said.....  
.....(Principal) or to his successors in office, for  
which payment to be made, we bind ourselves, and each  
of us, in the whole, and each of heirs executors, adminis-  
trators or assigns, jointly and severally, by these pre-  
sents.

Whereas the Governor, Himachal Pradesh has sanc-  
tioned a sum of Rs.....(Rupees.....)  
as a grant for particulars of which are given in the Sched-  
ule hereto annexed, to be utilized in the same  
sum; And Whereas the said Shri.....(Principal)  
has agreed to enter into the above written Bond and the  
said Shri..... and said Shri.....  
have agreed to enter into the same hence as sureties  
for the said Shri.....(Principal).

Now the condition of this bond is such that if the said  
Shri..... (Principal) fails to utilise the amount  
of grant for the purpose for which it was sanctioned and  
fails to abide by terms and conditions attached to the  
grant in accordance with the scheme approved and sanc-  
tioned by the..... within a period of.....  
years or..... stipulated period in the sanction  
order mentioned above also if he fails to surrender the un-  
spent portion of the grant to the Himachal Pradesh  
Govt. by refunding the same to..... and  
further if during the utilisation period he fails to permit  
persons duly authorised by the..... to visit the site  
of the scheme/institution as the case may be, and to ge-  
nerally supervise the utilisation of the grant, the said..  
.....(Principal) or said Shri.....  
(Surety No. I) and or said Shri.....(Surety

No. II) or all of them jointly or any of their heirs, exe-  
cutors, administrators or assigns, shall pay to the said  
Governor a sum of Rs..... (Rupees.....  
.....) together with interest at the rate of.....  
..... Also that if the said Shri..... (Prin-  
cipal) leases out the house so constructed within five  
years of its completion he shall be liable to payment to  
the Government 75% of rent so accrued for such  
period till the subsidy advanced is made good to the  
Government.

(Principal).

Signatures of.

Signature of Surety No. I with full address.

Signature of witness with full address.

Signature of Surety No. II with full address.

Signature of witness with full address.

Signature of—

Director of Welfare,  
Himachal Pradesh, Simla.  
for and on behalf of the  
Governor, Himachal Pradesh.

Note.—This Bond should be duly attested by a  
Magistrate/Tehsildar.

### ANNEXURE V

Rule-8 (c)

### AGREEMENT OF HOUSE SITE

1. This deed made this..... day of.....  
between the Governor of the Himachal Pradesh (herein-  
after referred to as the Government which expression  
shall, where the context so admits, include his succes-  
sors and assigns) of the one part and.....  
.....s/o..... Caste..... Resi-  
dent of..... (hereinafter referred to  
as the grantee which expression shall, where context  
so admits, include his heirs, executors and administra-  
tors) of the other part.

2. Whereas the grantee has applied for the grant of a  
subsidy for the purpose of purchasing land for construct-  
ing a house thereon.

3. And whereas the Government have agreed to grant  
to the grantee a subsidy of Rs..... (Rupees.....)  
for the purpose aforesaid in the manner and on the terms  
and conditions hereinafter appearing.

4. Now whereas witnesses and the parties hereto here-  
by agree as follows:—

- (1) That the site purchased and the building constructed  
with the aid of the subsidy shall, subject to the  
conditions herein contained, remain the property  
of the Government and the grantee performing  
all the covenants by him herein contained shall  
be entitled to use the said site and the building  
as a licences for a period of 20 years free of rent.  
Such period to commence from the date of the  
purchase of the site:
- (2) That the grantee shall use the said site and the  
said building for the purpose of his residence and  
shall not use or permit the use of the land or  
the building for any other purpose.

- (3) That the grantee shall during the said period keep the property in good condition with reasonable repairs and maintenance.
- (4) That the grantee shall not cause any injury or damage to the land or the building purchased or erected with the aid of the subsidy.
- (5) That the grantee shall pay all rates, taxes and other charges of every description now payable or hereafter to become payable in respect of the said land and the building to be erected thereon.
6. That during the currency of the licence as hereinbefore mentioned, the Govt. or any other officer authorised by him in that behalf shall be entitled to enter into or upon the building with a view to inspect the work and condition of the property being maintained.
- (7) That in the event of the misuse by the grantee of the subsidy in whole or any part thereof the Government shall be entitled to recover as arrears of land revenue the whole or such part of the subsidy as may be specified by the Director from the grantee with interest at the rate of ..... and the Govt. shall also be entitled to withhold the payment of the balance of the subsidy.
- (8) That if during the currency of the licence the grantee commits breach of any of the conditions contained herein and to be performed and observed by him the Government shall have the right to revoke the licence without notice and to eject him from the said site and the building without prejudice to the right of Government to recover from the grantee the difference between the amount of subsidy paid to the grantee and the market value of the site and the building at the time of ejection.
- (9) That on the grantee performing, for a period of 20 years from the date of the purchase of the site, the conditions and terms herein contained and to be performed and observed by him the grantee shall become the owner of the site and the building.
- (10) That it is hereby agreed that if at any time any dispute doubt or question shall arise between the Govt. and the grantee touching the construction meaning or effect of this deed or any clause thereof or their respective rights and liabilities hereunder the same shall be referred to the arbitration of the Director acting as such at the time of reference and his decision shall be final and binding on the parties.

In witness whereof the parties hereto have signed hereunder on the dates respectively mentioned against the signatures in ..... Year of the Republic of India.

I. Witness.....

II. Witness.....

Signature of Grantee.

Signature of District Welfare Officer.

Attested:  
Magistrate/Tehsildar.

## ANNEXURE VI

### Rule-8(c)

## GOVERNMENT OF HIMACHAL PRADESH WELFARE DEPARTMENT

### SUBSIDY SCHEME FOR HOUSES FOR SCH. CASTES/ TRIBES/VIMUKAT JATIS ETC.

#### SURETY BOND

Whereas a subsidy of Rs. .... (Rupees.. ..) has been granted to ..... son of ..... resident of village....., Pargana..... Tehsil..... District..... By Government on the condition that the said beneficiary shall execute a Bond in favour of the Himachal Pradesh Government and further that he shall furnish a surety and whereas the said beneficiary has executed a Bond in favour of the Government.

I, ..... son of ..... resident of village..... Pargana..... Tehsil..... District..... do hereby stand surety for the said beneficiary and bind myself and my successors in interest as under:—

That in case of the beneficiary not constructing the house with the amount of subsidy or not utilising the full amount of subsidy on the house for which it has been sanctioned or making default in the fulfilment of any other condition on which the subsidy has been granted to him, I shall be liable with the beneficiary, both jointly as well as severally to repay the amount of subsidy paid to the beneficiary.

Signature.....

Full Address.....

Dated this.....day of  
Witness.

Address.

Attested,  
Magistrate/Tehsildar.

## ANNEXURE VII

### Rule-8 (d)

## WELFARE DEPARTMENT, HIMACHAL PRADESH

### RECEIPT FORM

Sr. No. .... Dated.....

Received from District Welfare Officer, ..... the sum of Rs. .... (Rupees.....) vide R. T. R./Bank Draft No. .... dated..... in cash representing 1st/2nd/3rd instalment of subsidy under the Scheme for the construction

of house /Purchase of House-site for the year. ....

Attested :  
District Welfare Officer,      *Signature of recipient.*

*Full address.*

WITNESS:

Paid in my presence

(Member Village Panchayat/  
M. C./ N. A. C. with full address/  
any Gazetted Officer.

*Foot Note:*—The witness will not be necessary when payment is to be made by R. T. R. or Bank draft.

#### ANNEXURE VIII

##### Rule-10

#### UTILISATION CERTIFICATE

Certified that the amount of Rs. .... (Rupees. ....) sanctioned as grant-in-aid in favour of, ..... (designation & address of authority in whose favour sanction has been accorded) for, ..... vide Director of Welfare Himachal Pradesh Government, order No. .... dated ..... during the year ..... has been utilised in accordance with the prescribed terms & conditions and provisions of the H. P. Grant of Housing Subsidy to Backward Classes Rules, 1975, for the same purpose for which it was sanctioned and within the stipulated period.

2. Also certified that I have satisfied myself that the money has been utilised properly for the purpose for which it was granted.

*Signature of the Officer.*  
*Office stamp.*

#### ANNEXURE IX

##### Rule-11 (vi)

Certificates to be recorded by the District Welfare Officer while forwarding proposal under scheme Housing Subsidy, to the Director of Welfare, Himachal Pradesh.

#### I. HOUSING SUBSIDY FOR SCHEDULED CASTES DENOTIFIED TRIBES

- Persons recommended are *bonafide* residents of Himachal Pradesh.
- Belong to Scheduled Castes/Denotified Tribes as declared by Govt.
- Have got sites for construction of houses where subsidy is recommended for new construction.
- Have not been allowed similar benefits in the past.
- Shall utilise grant for constructing new house/repair of existing houses.
- Approval of the District Welfare Committee has been obtained.
- That the income of each beneficiary recommended for the grant of subsidy does not exceed Rs. 6,000/- per annum.

8. List(s) are in order of priority.

#### II. HOUSING SUBSIDY FOR SCHEDULED TRIBES

- Persons recommended are *bonafide* residents of H.P.
- Belong to Scheduled Tribes as declared by Govt. of India.
- Have got sites for construction of houses, where subsidy is recommended for new construction.
- Have not been allowed similar benefits in the past.
- Shall utilise grant for constructing new houses/repair of existing houses.
- Approval of District Welfare Committee has been obtained.
- That the income of each beneficiary recommended for the grant of subsidy does not exceed Rs. 6,000/- per annum.
- Lists are in order of priority.

#### III. HOUSING SUBSIDY FOR SCHEDULED CASTES SWEEPERS & SCAVENGERS AND THOSE ENGAGED IN UNCLEAN OCCUPATION

- Persons recommended are *bonafide* residents of H.P.
- Belong to Sch. Castes as declared by the Govt. of India and are engaged in unclean occupation of in sweeping/ scavenging, as the case may be.
- Have got sites for construction of houses, where subsidy is recommended for new construction.
- Have not been allowed similar benefits in the Past.
- Shall utilise grant for constructing new houses/repair of existing houses.
- Approval of the District Welfare Committee has been obtained.
- That the income of each beneficiary recommended for the grant of Subsidy does not exceed Rs. 6000/- per annum.
- List(s) are in order of priority.

Certificates to be recorded by the Distt. Welfare Officer while forwarding proposal under scheme 'House-Sites' to the Director of Welfare, H. P.

#### IV. HOUSE-SITES TO SCHEDULED CASTES/ SCHEDULED TRIBES

- Persons recommended are *bonafide* residents of H. P.
- Belong to Sch. Castes/Sch. Tribes as declared by the Govt.
- Have not been allowed similar benefits in past.
- Shall construct a house on the site purchased with subsidy.
- Approval of the District Welfare Committee has been obtained.
- Have got no sites/ houses of their own.
- That the income of each beneficiary recommended for the grant of subsidy does not exceed Rs. 6,000/- per annum.
- List(s) are in order of priority.

#### V. HOUSE-SITES FOR SWEEPERS, SCAVENGERS & ENGAGED IN UNCLEAN OCCUPATIONS

- Persons recommended are *bonafide* residents of H.P.



2. Belong to Sch. Castes as declared by the Govt. of India and are engaged in unclean occupation or in sweeping/ scavenging, as the case may be.
3. Have got no sites/houses of their own.
4. Have not been allowed similar benefits in past.
5. Shall construct a house on the site purchased with subsidy.
6. Approval of the District Welfare Committee has been obtained.
7. List(s) are in order of priority.
8. The income of each beneficiary recommended for the grant of subsidy does not exceed Rs. 6,000/- per annum.

#### ANNEXURE-X

#### Rule 22

By this bond we.....son of.....  
.....Caste.....Resident of.....  
Tehsil.....District.....(Principal) and Shri.....son of.....  
Caste....., Resident of.....  
Tehsil.....District (Surety No. I) & Shri.....son of.....  
Caste.....Tehsil.....  
.....District.....(Surety No. II)  
.....are jointly and severally bound to the Governor of Himachal Pradesh in the sum of Rs.....  
(Rupees.....) to be paid to the said.....  
.....(Principal) or to his successors in office, for which payment to be made we bind ourselves, and each of us, in the whole, and each of heirs executors, administrators or assigns, jointly and severally, by these presents.

Whereas the Governor of Himachal Pradesh has sanctioned a sum of Rs..... (Rupees.....) to Shri.....son of Shri.....  
Resident of.....District.....for construction or repairs of his house and whereas the said Shri.....son of Shri.....expired before the completion of house.

Now whereas the Governor of Himachal Pradesh has sanctioned a sum of Rs..... (Rupees.....) as a grant for particulars of which are given in the schedule hereto annexed) to be utilised in accordance with the scheme approved and sanctioned by.....  
the said Shri.....(Principal) subject

to his entering into a bond for a sum of Rs.....  
Rupees.....) with two sureties in the said bond and whereas the said Shri.....(Principal) has agreed to enter into the above written bond and the said Shri.....and the said Shri.....have agreed to enter into the same bond as sureties for the said Shri.....  
.....(Principal).

Now the condition of this bond is such that if the said Shri.....(Principal) fails to utilise the amount of grant for the purpose for which it was sanctioned or fails to abide by terms and conditions attached to the grant in accordance with the scheme approved and sanctioned by the.....within the stipulated period in the sanction order mentioned above or also if he fails to surrender the unspent portion of the grant to the Himachal Pradesh Govt. by refunding the same to.....and further if during the utilisation period he fails to permit persons duly authorised by the Government or the Director of Welfare to visit the site of the scheme/institution as the case may be and, to generally supervise the utilisation of the grant, the said.....(Principal) or the said sureties severally and jointly or any of their heirs, executors, administrators or assigns, shall pay to the said Governor a sum of Rs. .... (Rupees.....) together with interest at the rate of.....

Also that if the said Shri.....(Principal) leases out the house so constructed within five years of its completion, he shall be liable to pay 75% of rent so accrued to the Government for such period till the subsidy advanced is made good.

Signed and delivered by ourselves at.....  
this day of.....

(Principal)

Signature of surety No. I with full address.....  
.....  
Signature of witness with full address.....  
.....  
Signature of surety No. II with full address.....  
.....  
Signature of witness with full address.....  
.....  
Signature of.....

Director of Welfare,  
Himachal Pradesh.

Note.—This Bond should be duly attested by a Magistrate/ Tehsildar.

By order,  
R. C. GUPTA,  
Secretary.

## PERSONNEL (A-II) DEPARTMENT

## NOTIFICATION

Simla-171002, the 25th October, 1975

No. 7-5/70-DP (Apptt-II).—In exercise of the powers conferred by Article 234, read with proviso to Article 309 of the Constitution of India, and all other powers enabling him in this behalf, the Governor, Himachal Pradesh, in consultation with the High Court of Himachal Pradesh and the Public Service Commission is pleased to make the following Rules further to amend the Himachal Pradesh Judicial Service Rules, 1973, namely:—

1. *Short title and commencement.*—(i) These rules may be called the Himachal Pradesh Judicial Service (First Amendment) Rules, 1975.

(ii) They shall come into force from the date of issue of this notification.

2. *Amendments to Parts A and B of Rule 5.*—(i) In

sub-rule 1 of rule 5-A of the H. P. Judicial Service Rules, 1973 hereinafter termed as the "said Rules", the words "(b) a subject of Sikkim, or" shall be deleted and the clauses following this provision shall be renumbered as (b) to (e).

(ii) In Sub-Rule 3 of Rule 5-A of the said Rules as substituted *vide* Notification No. 7-5/70-DP (Apptt-I) dated 20-8-1973, the words "Schedule Caste, Scheduled Tribe" appearing in the first line be substituted by the words "Scheduled Caste or a Scheduled Tribe".

(iii) The existing provisions "(i) good moral character and conduct," under sub-rule-5 of rule 5-A of the said rules be substituted as under:—

"(i) good moral character, conduct; and"

(iv) In the fourth line of sub-rule 2 of rule 5B of the said rules the word "Schedule" be substituted by "Scheduled".

U. N. SHARMA,  
Chief Secretary.

भाग-4 स्थानीय स्वायत्त शासन: म्युनिसिपल बोर्ड, डिस्ट्रिक्ट बोर्ड, नोटिफाइड फाइड और टाउन एरिया तथा पंचायत विभाग

शून्य

## भाग 5—वैयक्तिक अधिसूचनाएं और विज्ञापन

PROCLAMATION UNDER ORDER 5, RULE 20 C.P.C.

In the Court of Judicial Magistrate Sunder Nagar  
Distt. Mandi (H. P.)

CIVIL SUIT No. 249 OF 1974

Smt. Atti Devi etc. .. Plaintiff.

vs.

Chander Mani etc. .. Defendant.

To

1. Chander Mani 2. Surinder Kumar sons of Rama caste Brahmin, residents of Harlayan, Illaqa Hatli, Tehsil, Sarkaghat, District Mandi.

Whereas in the above noted case it has been proved to my satisfaction that the above named defendants cannot be served in the normal course of service. Hence this proclamation is hereby issued against them and they are directed to appear in the court on 10-11-75 at 10. A. M. personally or through a pleader or authorised agent failing which an *ex parte* proceeding will be taken against them.

Given under my hand and seal of the Court, this 22nd September, 1975.

Seal.

VINOD KUMAR AHUJA,  
Sub-Judge, Sundernagar.

PROCLAMATION UNDER ORDER 5, RULE 20 C.P.C.

In the Court of Shri Janeshwar Goyal, Sub-Judge 1st Class, Nurgpur, District Kangra, H. P.

Civil Suit No. 115/1973

SUIT FOR DECLARATION

In case of Rajinder Kumar etc. (Plffs). vs. Onkar Singh etc. (Defts).

To

Onkar Singh s/o Beli Ram, r/o Chalwara, Tehsil Nurgpur, District Kangra, Himachal Pradesh.

Whereas in the above-noted case it has been proved to my satisfaction that the above-noted defendant can not be served in the normal course of service. Hence this proclamation is hereby issued against him and is directed to appear before me on 8-12-75 at 10 A.M. personally or through pleader or authorised agent failing which *ex parte* proceeding will be taken against the defendant.

Given under my hand and the seal of the court, this 9th day of October, 1975.

Seal.

JANESHWAR GOYAL,  
Sub-Judge 1st Class, Nurgpur.

भाग 6—भारतीय राजपत्र इत्यादि में से पुनः प्रकाशन

LAW DEPARTMENT

NOTIFICATION

Simla-2, the 6th September, 1975

No. LLR-E (9) 7/75.—The following Acts recently passed by Parliament which have already been published in the Gazette of India, Extra ordinary, Part II, Section I, are hereby republished in the Himachal Pradesh Government Rajpatra for the information of general public:—

1. The Banking Service Commission Act, 1975 (42 of 1975).
2. The Delhi Sales Tax Act, 1975 (43 of 1975).
3. The Telegraph Wires (Unlawful Possession) Amendment Act, 1975 (44 of 1975).
4. The Agricultural Refinance Corporation (Amendment) Act, 1975 (45 of 1975).
5. The Provident Funds (Amendment) Act, 1975 (46 of 1975).
6. The Indian Coinage (Amendment) Act, 1975 (47 of 1975).

M. C. PADAM,  
Under Secretary (Judicial).

Assented to on 7th August, 1975

THE BANKING SERVICE COMMISSION  
ACT, 1975

(ACT No. 42 of 1975)

AN  
ACT

to provide for the establishment of a Commission for the selection of personnel for appointment to services and posts in certain banking institutions and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Twenty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. *Short title and commencement.*—(1) This Act may be called the Banking Service Commission Act, 1975.
- (2) It shall come into force on such date as the Central Government may, by notification, appoint.
2. *Definitions.*—In this Act, unless the context otherwise requires,—
  - (a) "banking company" has the meaning assigned to it in the Banking Regulation Act, 1949 (10 of 1949);
  - (b) "Chairman" means the Chairman of the Commission;
  - (c) "Commission" means the Banking Service Commission, established under sub-section (1) of section 3;
  - (d) "junior officers' cadre", in relation to a public sector bank, means such cadre of junior officers as the Central Government may, by notification, specify in relation to that bank;
  - (e) "member" means a member of the Commission, but does not include the Chairman;
  - (f) "notification" means a notification published in the Official Gazette;
  - (g) "prescribed" means prescribed by rules made under this Act;

(h) "public sector bank" means—

- (i) a corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970);
- (ii) the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955);
- (iii) a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959);
- (i) "regulation" means regulation made under this Act;
- (j) "reserve bank" means the Reserve Bank of India, constituted under the Reserve Bank of India Act, 1934 (2 of 1934);
- (k) "Secretary" means the Secretary of the Commission.

CHAPTER II

BANKING SERVICE COMMISSION

3. *Establishment of the Commission.*—(1) With effect from such date as the Central Government may, by notification specify in this behalf, there shall be established a Commission, to be called the Banking Service Commission.

(2) The Commission shall be a body corporate having perpetual succession and a common seal with power to acquire, hold and dispose of property and to contract, and may by the said name sue and be sued.

(3) Unless otherwise provided by the Central Government by notification, the Central Office of the Commission shall be at New Delhi.

(4) The Commission shall have regional offices in such State or group of States as the Commission may, with the previous approval of the Central Government, determine and no such regional office shall be abolished without the previous approval of the Central Government.

4. *Appointment and terms of office of Chairman and members.*—(1) The Central Government shall, by notification, appoint a person to be the Chairman of the Commission and not more than eight other persons to be members of the Commission.

(2) The Chairman and members shall be persons who, in the opinion of the Central Government, are men of ability, integrity and standing and have special knowledge of, or practical experience in, financial economic or business administration or in the administration of Government or in any other matter which would render such person suitable for appointment as Chairman or member:

Provided that as nearly as may be one-half of the members shall be persons who, on the date of their respective appointments, have had such experience for not less than ten years in a banking company or in any public sector bank or Reserve Bank or in an institution wholly or substantially owned by the Reserve Bank or a public financial institution.

*Explanation 1.*—For the purposes of this section and of section 5, each of the following institutions shall be deemed to be a public financial institution, namely:—

- (i) the Industrial Credit and Investment Corporation of India Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956);
- (ii) the Industrial Finance Corporation of India, established under section 3 of the Industrial Finance Corporation Act, 1948 (15 of 1948);
- (iii) the Industrial Development Bank of India, established under section 3 of the Industrial

- Development Bank of India Act, 1964 (18 of 1964);
- (iv) the Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956 (31 of 1956);
  - (v) the Unit Trust of India, established under section 3 of the Unit Trust of India Act, 1963 (52 of 1963);
  - (vi) any other financial institution which is declared by the Central Government, by notification, to be a public financial institution.

*Explanation II.* For the purposes of this section and of section 5, an institution shall be deemed to be substantially owned by the Reserve Bank if, in the capital of such institution, that Bank has not less than forty per cent share.

(3) The Chairman or any member shall hold office for a term of five years from the date on which he enters upon his office or until he attains the age of sixty-five years, whichever is earlier:

Provided that—

- (a) the Chairman or any member may, by writing under his hand addressed to the Central Government, resign his office;
- (b) the Chairman or any member may be removed from his office in the manner provided by this Act.

(4) The other terms and conditions of service of the Chairman and members shall be such as may be prescribed.

(5) If the office of the Chairman becomes vacant or if the Chairman is unable to discharge his functions owing to absence, illness or any other cause, such member of the Commission as the Central Government may, by order, specify, shall discharge the functions of the Chairman up to the date on which a new Chairman is appointed or, as the case may be, the Chairman resumes his duties.

**5. Prohibition as to holding offices by Chairman or member on ceasing to be such Chairman or member.**—A person who holds office as Chairman or member shall, on his ceasing to hold such office by reason of the expiration of his term or otherwise, be ineligible for re-appointment in the Commission or for employment under the Government of India or of any State or in the Reserve Bank or in any institution wholly or substantially owned by the Reserve Bank or in any public sector Bank or any banking company or in a public financial institution;

Provided that a member to whom this section applies, shall be eligible for appointment as Chairman, but shall not be eligible for any other employment.

**6. Removal and suspension of Chairman or the members from office in certain circumstances.**—(1) The Central Government may remove from office the Chairman or any member, who—

- (a) is adjudged an insolvent, or
- (b) is convicted of an offence involving moral turpitude, or
- (c) is, in the opinion of the Central Government, unfit to continue in office by reason of infirmity of mind or body, or
- (d) engages during the term of office in any paid employment outside the duties of his office; or
- (e) has acquired such financial or other interest as is likely to affect prejudicially his functioning as the Chairman or a member, or
- (f) has so abused his position as to render his continuance in office undesirable.

(2) Notwithstanding anything contained in sub-section (1), the Chairman or any member shall not be removed from office on the ground specified in clause

(d) or clause (e) or clause (f) of that sub-section unless the matter has been referred to an Inquiry Officer appointed under sub-section (3) and such officer has, after an inquiry, held in accordance with such procedure as the Central Government may specify in this behalf, reported that the member ought, on such grounds, to be removed.

(3) For the purpose of holding an inquiry under sub-section (2), the Central Government may, by order, appoint, as an Inquiry Officer, a person who is holding or has held the office of a Judge of the Supreme Court or of any High Court.

(4) The Central Government may suspend from office the Chairman or any member in respect of whom a reference has been made to an Inquiry Officer under sub-section (2), pending such inquiry.

(5) The terms and conditions of service of any Inquiry Officer appointed under sub-section (3) shall be such as the Central Government may, by order, specify.

**7. Power of Commission to constitute committees.**—

(1) The Commission may, in such manner and subject to such conditions and restrictions as may be prescribed, constitute one or more committees consisting wholly of its members or partly of its members and partly of other persons and delegate to any committee so constituted such of the functions and powers of the Commission as may be specified in the rules made by the Central Government:

Provided that the Commission may constitute any committee either with or without, the Chairman as one of the members of such committee.

(2) The sitting fee and travelling allowance payable to persons, other than the Chairman and members, for attending any meeting of the committee, shall be such as may be prescribed.

**8. Secretary and other staff of the Commission.**—(1) The Commission may, with the previous sanction of the Central Government, appoint a Secretary for the efficient discharge of its functions under this Act.

(2) The terms and conditions of service of the Secretary shall be such as may be prescribed.

(3) Subject to such regulations as may be made in this behalf, the Commission may appoint such other employees as it may think necessary for the efficient discharge of its functions under this Act on such terms and conditions as the Commission may, having regard to the terms and conditions of service of the comparable posts in the Central Government, determine with the previous sanction of the Central Government.

**9. Authentication of orders and other instruments of the Commission.**—(1) All orders and instruments issued by the Commission shall be authenticated by the signature of the Secretary or any other officer of the Commission authorised by the Chairman in this behalf.

(2) Orders or instruments issued by the Commission and authenticated in accordance with the provisions of sub-section (1) shall be evidence of the matters recorded therein and shall be admissible in evidence notwithstanding anything contained in the Indian Evidence Act, 1872 (1 of 1872), or in any other law for the time being in force.

## CHAPTER III

### FUNCTIONS OF THE COMMISSION

**10. Duty of Commission to hold competitive examinations for appointment to posts in public sector banks.**—(1) It shall be the duty of the Commission to conduct examinations for appointments in each public sector

bank to—

- (a) posts in the clerical and allied cadres and the junior officers' cadre, and
- (b) such other posts of, or posts in the cadres of, officers as the Central Government may, by notification, specify.

(2) If any question arises as to whether any post or class of posts falls in any clerical and allied cadre or junior officers' cadre, such question shall be referred to the Central Government and that Government shall decide the same.

**11. Calling for applications and conduct of examinations.**—The Commission shall call for applications from such category of persons and in such manner as may be specified by it in the regulations and conduct examinations in such State or group of States as may be necessary having regard to the requirements of section 17 and the vacancies communicated to it under section 12.

**12. Duty of public sector banks to communicate to the Commission of number of vacancies.**—(1) It shall be the duty of every public sector bank to communicate to the Commission—

- (a) all the vacancies in the clerical and allied cadres, or in such other post or cadre as may be specified by the Central Government under section 10, and
- (b) twenty-five per cent of the estimated total number of vacancies in the junior officers' cadre,

which are likely to occur during the unexpired portion of the calendar year in which this Act comes into force and thereafter, as soon as may be, after the commencement of each calendar year:

Provided that, in relation to the junior officers' cadre, the Central Government may, if it is of opinion that it is necessary so to do in the interests of the public sector banks, by notification, raise the percentage of vacancies to be communicated to the Commission to thirty-three and one-third per cent.

(2) Communication of vacancies referred to in sub-section (1) shall be made in such form and in such manner as may be specified in the regulations made by the Commission and every such communication, in relation to the vacancies in the clerical and allied cadre, shall also indicate the number of vacancies which exist or are likely to occur in a State or group of States.

**Explanation.**—In this Act, the expression "vacancy" includes a newly created post which has not been filled in.

**13. Cases in which Commission shall not be consulted.**—It shall not be necessary to consult the Commission in regard to the selection of a person—

- (a) for appointment to a post in the clerical or allied cadre, on compassionate grounds (in pursuance of the scheme framed by a public sector bank in consultation with the Commission and with the previous sanction of the Central Government), of a dependant of an employee who had died while in the service of the public sector bank;
- (b) if the person appointed is not likely to hold the post for a period of more than one year, and it is necessary in the interests of the public sector bank to make the appointment immediately and reference to the Commission will cause undue delay;

Provided that—

- (i) such appointment is made in the manner specified by the Commission by regulations and is reported to the Commission as soon as it is made;

(ii) if the appointment continues beyond a period of six months, a fresh estimate as to the period for which the person appointed is likely to hold the post shall be made and reported to the Commission; and

(iii) if such estimate indicates that the person appointed is likely to hold the post for a period of more than one year from the date of appointment, the Commission shall immediately be consulted in regard to the filling of the post.

**14. Duty of Commission to make recommendation.**—It shall be the duty of the Commission to make, on the basis of the results of examinations conducted by it in accordance with the provisions of sub-section (1) of section 10, recommendations to each public sector bank for appointments to fill the vacancies communicated to it by such bank under section 12.

**15. Communicated vacancies to be filled only on the recommendation of the Commission.**—(1) Notwithstanding anything to the contrary contained in any award, settlement or agreement, or in any judgment, decree or order of any court or tribunal or other authority, or in any other law in force for the time being, appointment to all the vacancies required to be communicated to the Commission under section 12 shall, on or from such date as the Commission may notify in respect of each public sector bank, be made by such public sector bank only on the recommendation of the Commission, except where consultation with the Commission is not necessary under this Act.

(2) If, in any calendar year, the Commission is unable to make recommendation for appointment to all the vacancies communicated to it by a public sector bank under section 12, or if the public sector bank is unable, in any calendar year, to make appointments on the basis of recommendations made by the Commission, the vacancies may be carried forward to the subsequent calendar year, to be filled in the said manner.

Provided that the public sector bank may, in consultation with the Commission, fill such vacancies temporarily in such manner and for such period as the Commission may by regulations specify.

**16. Power of Central Government to entrust other advisory functions to the Commission.**—The Commission shall discharge such functions of an advisory nature as the Central Government may, by notification, entrust to it.

**17. Reservation of posts for candidates belonging to Scheduled Castes and Scheduled Tribes and other categories of persons.**—The Central Government may, by order, direct that in relation to every public sector bank, reservations in favour of the Scheduled Castes, Scheduled Tribes and other categories of persons shall be made in such manner and to such extent as it may specify:

Provided that in giving any direction as aforesaid, the Central Government shall have due regard to the reservation of posts made for the Scheduled Castes, Scheduled Tribes and other categories of persons in relation to recruitments to the services of the Government and to the general need, and special requirements, of such public sector bank.

**Explanation.**—The expressions "Scheduled Castes" and "Scheduled Tribes" shall have the meanings respectively assigned to them in article 366 of the constitution.

**18. Fund of the Commission.**—(1) The Commission shall have its own fund and all the receipts of the Commission shall be credited to the Fund and all payments by the Commission shall be made therefrom.

(2) All moneys belonging to the Fund shall be deposited in such banks or invested in such manner as the Commission may, subject to any general or special order made by the Central Government in this behalf decide.

(3) The Commission may spend such sums as it thinks fit for performing its functions under this Act and such sums shall be treated as expenditure payable out of the Fund of the Commission.

19. *Payment to the Commission.*—(1) The Central Government may, by general or special order and subject to any rules that may be made in this behalf, direct every public sector bank to pay to the Commission such fee as it may determine and the aggregate amount of the fee so determined shall not exceed the expenses incurred by the Commission.

(2) The aggregate amount of fees payable under subsection (1) shall be apportioned by the Central Government between different public sector banks and in making such apportionment in relation to a public sector bank, the Central Government shall have due regard to the demand and time liabilities of that public sector bank.

(3) For the purpose of meeting the initial expenditure of the Commission, the Central Government may, by general or special order, direct the payment by every public sector bank of an advance of such amount as it may specify and the advance so made shall be appropriated or adjusted in such manner as may be prescribed.

*Explanation.*—The expression “demand liabilities” and “time liabilities” shall have the meanings respectively assigned to them in the Banking Regulation Act, 1949 (10 of 1949).

20. *Budget of the Commission.*—The Commission shall prepare, in such form and at such time each year as may be prescribed, a budget in respect of the financial year next ensuing showing the estimated receipts and expenditure, and submit the same to the Central Government for approval.

21. *Accounts and audit.*—(1) The Commission shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form and in such manner as may be prescribed.

(2) The accounts of the Commission shall be audited by a person who is qualified to act as an auditor of a company under section 226 of the Companies Act, 1956 (1 of 1956), and the auditor shall receive such remuneration as the Commission may, in consultation with the Central Government, fix.

(3) In conducting the audit, the auditor shall have the same rights and duties as are possessed by an auditor of a company as if the Commission were a company within the meaning of the Companies Act, 1956 (1 of 1956).

22. *Annual report.*—The Commission shall prepare once every calendar year, in such form and at such time as may be prescribed, an annual report giving a full account of its activities during the previous year, and copies thereof shall be forwarded to the Central Government and that Government shall cause the same to be laid before both Houses of Parliament.

## CHAPTER IV

### MISCELLANEOUS

23. *Obligation as to secrecy.*—The Chairman and members and every officer or other employee of the Commission, and every member of any committee constituted under sub-section (1) of section 7, shall maintain strictest secrecy regarding the affairs of the Commission

and shall not divulge, directly or indirectly, any information of a confidential nature to a member of the public unless compelled to do so by any judicial or other authority or unless instructed to do so by a superior officer in the discharge of his duties.

24. *Chairman, members, etc., to be public servants.*—The Chairman and members of the Commission and every officer or other employee of the Commission, and every member of any committee constituted under sub-section (1) of section 7 shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (45 of 1860).

25. *Certain defects not to invalidate acts or proceedings.*—(1) All acts done by the Chairman and members and the members of any committee constituted under sub-section (1) of section 7, acting in good faith, shall, notwithstanding any defect in their appointment or procedure, be valid.

(2) No act or proceeding of the Commission or of any committee thereof shall be invalid merely on the ground of the existence of any vacancy therein or defect in the constitution of the Commission or the committee, as the case may be.

26. *Protection of action taken in good faith.*—No suit or other legal proceedings shall lie against the Commission, the Central Government or the Chairman or member or Secretary or officer or other employee of the Commission for any thing which is in good faith done or intended to be done in pursuance of this Act or any rule made thereunder.

27. *Commission not liable to be taxed.*—Notwithstanding anything contained in the Income-tax Act, 1961 (43 of 1961), or any other enactment for the time being in force relating to income-tax, surtax or any other tax on income, profits or gains, the Commission shall not be liable to pay any tax or surtax in respect of—

- (a) any income, profits or gains accruing or arising of the Fund of the Commission or any amount received in that Fund; and
- (b) any income, profits or gains derived, or any amount received, by the Commission.

28. *Delegation of powers.*—The Commission may, by general or special order, delegate to the Chairman, any member or officer of the Commission, subject to such conditions and limitations if any, as may be specified therein, such of its powers and duties under this Act as it may deem fit.

29. *Amendment of Act 14 of 1947.*—In the Industrial Disputes Act, 1947, in section 2, in sub-clause (i) of clause (a), after the words and figures “of the Food Corporations Act, 1964, or”, the words and figures “the Banking Service Commission established under section 3 of the Banking Service Commission Act, 1975, or” shall be inserted.

30. *Returns and information.*—(1) The Commission shall furnish to the Central Government such returns or other information with respect to its properties or activities as the Central Government may, from time to time, require.

(2) The Commission may, for the purpose of enabling it to discharge its functions under this Act, call upon any public sector bank to give such statements or furnish such particulars as the Commission may deem fit and every such bank shall comply with the same.

31. *Power to make rules.*—(1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.



(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the terms and conditions of service of the Chairman and members;
- (b) the sitting fee and travelling allowance payable to persons, other than the Chairman and members, for attending any meeting of the committee, under sub-section (2) of section 7;
- (c) the terms and conditions of service of the Secretary under sub-section (2) of section 8;
- (d) the category of persons for whom any vacancy or percentage of vacancies in a public sector bank may be reserved by the Central Government;
- (e) the procedure for determination of the fee to be paid by every public sector bank to the Commission under section 19;
- (f) the form in which and the time within which the Commission shall prepare and submit its budget to the Central Government under section 20;
- (g) the form in which and the time within which the Commission shall prepare its annual statement of accounts under sub-section (1) of section 21;
- (h) the form and manner in which and the date by which the Commission shall prepare an annual report giving a full account of its activities during the previous year and submitting the same to the Central Government under section 22;
- (i) any other matter which is to be, or may be, prescribed.

(3) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**32. Power to make regulations.**—(1) The Commission may, with the previous approval of the Central Government, by notification, make regulations, not inconsistent with the provisions of this Act or the rules made thereunder, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.

(2) Without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

- (a) the matters referred to in sub-section (3) section 8;
- (b) the duties and conduct of employees of the Commission, other than the Secretary;
- (c) the manner in which, and the category of persons from whom applications may be called for appearing at examinations or tests held by the Commission;
- (d) the manner in which appointments may be made to fill any vacancy without consulting the Commission;
- (e) the manner in which and period for which appointments may be made to fill vacancies in relation to which the Commission is unable to make a recommendation;
- (f) the number of times and places at which the

Commission shall conduct examinations or tests for recruitment to different posts;

- (g) the principles in accordance with which candidates shall be selected for different posts;
- (h) the fees payable by candidates intending to appear at examinations or tests conducted by the Commission;
- (i) generally for the efficient conduct of the affairs of the Commission.

## CHAPTER V

### EXTENSION OF THE PROVISIONS OF THE ACT TO OTHER BANKING INSTITUTIONS

**33. Power of Central Government to extend the provisions of the Act to other banking institutions.**—The Central Government may, if it is satisfied that it is necessary or expedient so to do, by notification, specify that all or such of the provisions of this Act as may be specified in the notification (hereinafter referred to as the "specified provisions") shall also apply to, or in relation to, a banking company and thereupon the specified provisions shall apply to such banking company in the same manner as they apply to a public sector bank and references in the specified provisions to a public sector bank shall be construed as references to the banking company:

Provided that no such notification shall be issued in relation to the appointment to any service or post in a banking company unless a request in that behalf has been received by the Central Government from that banking company.

Assented to on 7th August, 1975.

## THE DELHI SALES TAX ACT, 1975

(ACT NO. 43 OF 1975)

### AN ACT

to consolidate and amend the law relating to the levy of tax on sale of goods in the Union territory of Delhi.

BE it enacted by Parliament in the Twenty-sixth Year of the Republic of India as follows:—

## CHAPTER I

### PRELIMINARY

**1. Short title, extent and commencement.**—(1) This Act may be called the Delhi Sales Tax Act, 1975.

(2) It extends to the whole of the Union territory of Delhi.

(3) It shall come into force on such date as the Administrator may, by notification in the Official Gazette, appoint.

**2. Definitions.**—In this Act, unless the context otherwise requires,—

- (a) "Administrator" means the Administrator of Delhi appointed by the President under article 239 of the Constitution;
- (b) "Appellate Tribunal" means the Appellate Tribunal constituted under section 13;
- (c) "business" includes—
  - (i) any trade, commerce or manufacture or any adventure or concern in the nature of trade, commerce or manufacture whether or not such trade, commerce, manufacture,

adventure or concern is carried on with a motive to make gain or profit and whether or not any gain or profit accrues from such trade, commerce, manufacture, adventure or concern; and

- (ii) any transaction in connection with, or incidental or ancillary to, such trade, commerce, manufacture, adventure or concern;
- (d) "Commissioner" means the Commissioner of Sales Tax appointed under sub-section (1) of section 9;
- (e) "dealer" means any person who carries on business of selling goods in Delhi and includes—
  - (i) the Central Government or a State Government carrying on such business;
  - (ii) an incorporated society (including a co-operative society), club or association which sells or supplies goods, whether or not in the course of business, to its members for cash or for deferred payment or for commission, remuneration or other valuable consideration;
  - (iii) a manager, factor, broker, commission agent, *del credere* agent, or any mercantile agent, by whatever name called, and whether of the same description as hereinbefore mentioned or not, who sells goods belonging to any principal whether disclosed or not; and
  - (iv) an auctioneer who sells or auctions goods belonging to any principal, whether disclosed or not and whether the offer of the intending purchaser is accepted by him or by the principal or a nominee of the principal;
- (f) "Delhi" means the Union territory of Delhi;
- (g) "goods" includes all materials, articles, commodities and all other kinds of movable property, but does not include newspapers, actionable claims, stocks, shares, securities or money;
- (h) "manufacture", with its grammatical variations and cognate expressions, means producing, making, extracting altering, ornamenting, finishing or otherwise processing, treating or adapting any goods, but does not include any such process or mode of manufacture as may be prescribed;
- (i) "Official Gazette" means the Delhi Gazette;
- (j) "prescribed" means prescribed by rules made under this Act;
- (k) "registered" means registered under this Act;
- (l) "sale", with its grammatical variations and cognate expressions, means any transfer of property in goods by one person to another for cash or for deferred payment or for any other valuable consideration, and includes—
  - (i) a transfer of goods on hire-purchase or other system of payment by instalments, but does not include a mortgage or hypothecation of, or a charge or pledge on, goods;
  - (ii) supply of goods by a society (including a co-operative society), club, firm or any association to its members for cash or for deferred payment, or for commission, remuneration or other valuable consideration, whether or not in the course of business; and
  - (iii) transfer of goods by an auctioneer referred to in sub-clause (iv) of clause (e);
- (m) "sale price" means the amount payable to a dealer as consideration for the sale of any goods, less any sum allowed as cash discount according to the practice normally prevailing in trade, but inclusive of any sum charged for anything done by the dealer in respect of the goods at the time of or before the delivery thereof other than the cost of

freight or delivery or the cost of installation in cases where such cost is separately charged;

- (n) "tax" means sales tax payable under this Act;
- (o) "turnover" means the aggregate of the amounts of sale price receivable, or, if a dealer so elects, actually received by the dealer, in respect of any sale of goods made during any prescribed period in any year after deducting the amount of sale price, if any, refunded by the dealer to a purchaser in respect of any goods purchased and returned by the purchaser within the prescribed period:

Provided that an election as aforesaid once made shall not be altered except with the permission of the Commissioner and on such terms and conditions as he may think fit to impose;

- (p) "year" means the financial year.

## CHAPTER II

### INCIDENCE AND LEVY OF TAX

3. *Incidence of tax.*—(1) Every dealer whose turnover during the year immediately preceding the commencement of this Act exceeds the taxable quantum and every dealer who at the commencement of this Act, is registered or is liable to pay tax under the Central Sales Tax Act, 1956 (74 of 1956), shall be liable to pay tax under this Act on all sales effected by him on or after such commencement.

(2) Every dealer to whom sub-section (1) does not apply, shall—

- (i) with effect from the date immediately following the day on which his turnover calculated from the commencement of any year first exceeds within such year the taxable quantum, be liable to pay tax under this Act on all sales effected by him after that day;
- (ii) if he becomes liable to pay tax under the Central Sales Tax Act, 1956 (74 of 1956), or is registered as a dealer under the said Act at any time after the commencement of this Act be liable to pay tax on all sales effected by him or on his behalf within Delhi on or after the date he becomes so liable or is registered under the said Act, whichever is earlier.

(3) Every dealer who has become liable to pay tax under this Act shall continue to be so liable until the expiry of three consecutive years during each of which his turnover has failed to exceed the taxable quantum and such further period after the date of such expiry as may be prescribed and on the expiry of such further period his liability to pay tax shall cease:

Provided that any dealer may, after the expiry of one year following the year in which his turnover has failed to exceed the taxable quantum, apply for the cancellation of his certificate of registration, and on such cancellation, his liability to pay tax shall cease:

Provided further that in respect of any goods purchased by any dealer before the date of such cancellation and remaining unsold or unutilised for the purpose for which they were purchased, he shall be liable to pay so much of tax as would have been payable had he not been registered as a dealer on the date of purchase of such goods.

(4) Every dealer whose liability to pay tax under this Act has ceased under sub-section (3), shall, if his turnover calculated from the commencement of any year again exceeds the taxable quantum on any day within such year, be liable to pay such tax with effect from the date immediately following the day on which his turnover first exceeds the taxable quantum, on all sales effected by him after that day.

(5) Any dealer whose certificate of registration has been cancelled under sub-section (3) of section 20, shall—

- (a) if his turnover calculated from the date of cancellation of such certificate exceeds the taxable quantum on any day within the year; or
- (b) if his turnover calculated from the commencement of any subsequent year, exceeds the taxable quantum on any day within that year,

be liable to pay tax under this Act with effect from the date immediately following the day on which such turnover again first exceeds the taxable quantum on all sales effected by him after that day of goods imported by him from outside Delhi or manufactured by him in Delhi or purchased by him without payment of tax leviable under this Act.

(6) No dealer who deals exclusively in one or more classes of goods specified in the Third Schedule shall be liable to pay any tax under this Act.

(7) For the purposes of this Act, "taxable quantum" means—

Rs.

- (a) in relation to any dealer who imports for sale any goods into Delhi
- (b) in relation to any dealer who manufactures goods for sale regardless of the value of goods manufactured 30,000.00,
- (c) in relation to any other dealer 1,00,000.00 :

Provided that if the Administrator is of opinion that having regard to the difficulty in maintaining accounts or for other sufficient cause the taxable quantum in respect of any class of dealers falling under clause (b) should be increased, the Administrator may, by notification in the Official Gazette, fix in respect of such class of dealers such taxable quantum, not exceeding rupees one lakh, as may be specified in the notification.

**Explanation.**—For the purposes of computation of taxable quantum under sub-section (7), the turnover of all sales effected by a dealer shall be taken into account irrespective of whether such sales are taxable under this Act or not.

**4. Rate of tax.**—(1) The tax payable by a dealer under this Act shall be levied—

- (a) in the case of taxable turnover in respect of the goods specified in the First Schedule, at the rate of twelve paise in the rupee;
- (b) in the case of taxable turnover in respect of the goods specified in the Second Schedule, at such rate not exceeding four paise in the rupees as the Central Government may, from time to time, by notification in the Official Gazette, determine;
- (c) in the case of taxable turnover in respect of any food or drink served for consumption in a hotel or restaurant or part thereof, with which a cabaret, floor show or similar entertainment is provided therein, at the rate of forty paise in the rupee;

(d) in the case of taxable turnover in respect of any other goods, at the rate of seven paise in the rupee:

Provided that the Administrator may with the previous approval of the Central Government and by notification in the Official Gazette, add to, or omit from, or otherwise amend, the First Schedule or the Second Schedule, either retrospectively or prospectively, and thereupon the First Schedule or, as the case may be, the Second Schedule, shall be deemed to be amended accordingly:

Provided further that no such amendment shall be made retrospectively if it would have the effect of prejudicially affecting the interests of any dealer:

Provided also that in respect of any goods or class of goods the Administrator is of opinion that it is expedient in the interest of the general public so to do, he may, with the previous approval of the Central Government and by notification in the Official Gazette, direct that the tax in respect of the taxable turnover of such goods or class of goods shall, subject to such conditions as may be specified, be levied at such modified rate not exceeding the rate applicable under this section, as may be specified in the notification.

(2) For the purposes of this Act, "taxable turnover" means that part of a dealer's turnover during the prescribed period in any year which remains after deducting therefrom,—

(a) his turnover during that period on—

- (i) sale of goods, the point of sale at which such goods shall be taxable is specified by the Administrator under section 5 and in respect of which due tax is shown to the satisfaction of the Commissioner to have been paid;
- (ii) sale of goods declared tax-free under section 7;
- (iii) sale of goods not liable to tax under section 8;
- (iv) sale of goods which are proved to the satisfaction of the Commissioner to have been purchased within a period of twelve months prior to the date of registration of the dealer and subjected to tax under the Bengal Finance (Sales Tax) Act, 1941 (Bengal Act VI of 1941), as it was then in force, or under this Act;
- (v) sale to a registered dealer—

(A) of goods of the class or classes specified in the certificate of registration of such dealer, as being intended for use by him as raw materials in the manufacture in Delhi of any goods, other than goods specified in the Third Schedule, or newspapers,—

- (1) for sale by him inside Delhi; or
- (2) for sale by him in the course of inter-State trade or commerce, being a sale occasioning, or effected by transfer of documents of title to such goods during the movement of such goods from Delhi; or
- (3) for sale by him in the course of export outside India being a sale occasioning the movement of such goods from Delhi, or a sale effected by transfer of documents of title to such goods effected during the movement of such goods from Delhi, to a place outside India and after the goods have crossed the customs frontiers of India; or

(B) of goods of the class or classes specified in the certificate of registration of such

dealer as being intended for resale by him, in Delhi, or for sale by him in the course of inter-State trade or commerce or in the course of export outside India in the manner specified in sub-item (2) or sub-item (3) of item (a) as the case may be; and

(C) of containers or other materials, used for the packing of goods, of the class or classes specified in the certificate of registration of such dealer, other than goods specified in the Third Schedule, intended for sale or resale;

(vi) such other sales as are exempt from payment of tax under section 66 or as may be prescribed:

Provided that no deduction in respect of any sale referred to in sub-clause (iv) shall be allowed unless the goods, in respect of which deduction is claimed, are proved to have been sold by the dealer within a period of twelve months from the date of his registration and the claim for such deduction is included in the return required to be furnished by the dealer in respect of the said sale:

Provided further that no deduction in respect of any sale referred to in sub-clause (v) shall be allowed unless a true declaration duly filled and signed by the registered dealer to whom the goods are sold and containing the prescribed particulars in the prescribed form obtainable from the prescribed authority is furnished in the prescribed manner and within the prescribed time, by the dealer who sells the goods:

Provided also that where any goods are purchased by a registered dealer for any of the purposes mentioned in sub-clause (v), but are not so utilised by him, the price of the goods so purchased shall be allowed to be deducted from the turnover of the selling dealer but shall be included in the taxable turnover of the purchasing dealer; and

(b) the tax collected by the dealer under this Act as such and shown separately in cash memoranda or bills, as the case may be.

**5. Power of Administrator to prescribe points at which goods may be taxed.**—Notwithstanding anything contained in this Act, the Administrator may, by notification in the Official Gazette and subject to such conditions, if any as may be specified therein, specify the point of sale at which any goods or class of goods may be taxed, and on the issue of such notification, the points of sale in relation to any such goods or class of goods other than the point of sale so notified, shall be exempt from payment of tax under this Act:

Provided that no such exemption shall be allowed unless a true declaration duly filled and signed by the registered dealer by whom the goods are sold and containing the prescribed particulars in the prescribed form obtainable from the prescribed authority is furnished in the prescribed manner and within the prescribed time, by the dealer who purchases the goods:

Provided further that the Administrator may, if he is of opinion that it is necessary in the public interest so to do, by notification in the Official Gazette, exempt, subject to such restrictions and conditions as may be specified therein, any dealer or class of dealers from furnishing a declaration under the first proviso.

**6. Burden of proof.**—The burden of proving that in respect of any sale effected by a dealer he is not liable to pay tax under this Act, shall lie on him.

**7. Tax-free goods.**—(1) No tax shall be payable under this Act on the sale of goods specified in the Third Schedule subject to the conditions and exceptions, if any, set out therein.

(2) The Administrator may, with the previous approval of the Central Government and by notification in the Official Gazette, add to, or omit from, or otherwise amend, the Third Schedule either retrospectively or prospectively, and thereupon the Third Schedule shall be deemed to be amended accordingly:

Provided that no such amendment shall be made retrospectively if it would have the effect of prejudicially affecting the interests of any dealer.

**8. Certain sales and purchases not liable to tax.**—Nothing in this Act or the rules made thereunder shall be deemed to impose, or authorise the imposition of a tax on any sale or purchase of any goods when such sale or purchase takes place—

- (i) in the course of inter-State trade or commerce; or
- (ii) outside Delhi; or
- (iii) in the course of the import of the goods into, or export of the goods out of, the territory of India.

**Explanation.**—Sections 3, 4 and 5 of the Central Sales Tax Act, 1956 (74 of 1956), shall apply for determining whether or not a particular sale or purchase takes place in the manner indicated in clause (i), clause (ii) or clause (iii) of this section.

## CHAPTER III

### SALES TAX AUTHORITIES AND APPELLATE TRIBUNAL

**9. Sales tax authorities.**—(1) For carrying out the purposes of this Act, the Administrator shall appoint a person to be the Commissioner of Sales Tax.

(2) To assist the Commissioner in the execution of his functions under this Act, the Administrator may appoint as many Additional Commissioners of Sales Tax, Sales Tax Officers and such other persons with such designations as the Administrator thinks necessary.

(3) The Commissioner shall have jurisdiction over the whole of Delhi and the other persons appointed under sub-section (2) shall have jurisdiction over such areas as the Commissioner may specify.

(4) The Commissioner and other persons appointed under sub-section (2) shall exercise such powers as may be conferred; and perform such duties as may be required, by or under this Act.

**10. Delegation of Commissioner's powers.**—Subject to such restrictions and conditions as may be prescribed, the Commissioner may, by order in writing, delegate any of his powers under this Act except those under sub-section (3) of section 9 and sub-section (1) of section 52 to any person appointed under sub-section (2) of section 9:

Provided that the powers of the Commissioner under clauses (i) to (vi) (both inclusive) of sub-section (3) of section 41 shall not be delegated to any person lower in rank than that of a Sales Tax Officer, and those under sub-section (1) of section 49 shall not be delegated to any person other than an Additional Commissioner of Sales Tax appointed under sub-section (2) of section 9.

**11. Power to transfer proceedings.**—(1) The Commissioner may, by order in writing, transfer any proceedings or class of proceedings under any provision of this Act from any person appointed under sub-section (2) of section 9 to any other person so appointed whether or not such other person has jurisdiction in respect of the area to which such proceedings or class of proceedings relate,

and the Commissioner may likewise transfer any such proceedings (including a proceeding already transferred under this section) from any such person to himself.

(2) The person to whom any proceeding is transferred under sub-section (1) shall proceed to dispose of as if such proceeding had been initiated by himself.

(3) The transfer of a proceeding shall not render necessary the reissue of any notice already issued before such transfer and the person to whom the proceeding is transferred may, in his discretion, continue it from the stage at which it was left by the person from whom it was transferred.

*Explanation.*—For the purposes of this section, “proceedings” in relation to any person whose name is specified in any order issued thereunder, means all proceedings under this Act in respect of any year which may be pending on the date of such order or which may have been completed on or before such date, and includes also such proceedings which may be commenced after the date of such order in respect of any year.

**12. Disputes regarding territorial jurisdiction.**—(1) No person shall be entitled to call in question the jurisdiction of any sales tax authority appointed under section 9, not being an appellate authority, after the expiry of ninety days from the date of receipt by that person of any notice under this Act issued by such sales tax authority.

(2) Any objection as to the jurisdiction of any such sales tax authority may be raised within the period aforesaid by submitting a memorandum to the authority concerned who shall refer the question to the Commissioner and the Commissioner shall after giving the person raising the objection a reasonable opportunity of being heard, make an order determining the question and his decision in this behalf shall be final.

**13. Appellate Tribunal.**—(1) The Central Government shall, as soon as may be after the commencement of this Act, constitute an Appellate Tribunal consisting of one or more members, as it thinks fit, to exercise the powers and discharge the functions conferred on the Appellate Tribunal by or under this Act:

Provided that where the Appellate Tribunal consists of one member, that members shall be a person who has held a civil judicial post for at least ten years or who has been a member of the Central Legal Service not below Grade III for at least three years or who has been in practice as an advocate for at least ten years, and where the Appellate Tribunal consists of more than one member, one such member shall be a person qualified as aforesaid.

(2) Where the number of members of the Appellate Tribunal is more than one, the Central Government shall appoint one of those members to be the Chairman of the Appellate Tribunal.

(3) Subject to the provisions of sub-section (1), the qualifications and other conditions of service of the member or members constituting the Appellate Tribunal and the period for which such member or members shall hold office, shall be such as may be determined by the Central Government.

(4) Any vacancy in the membership of the Appellate Tribunal shall be filled up by the Central Government as soon as practicable.

(5) Where the number of members of the Appellate Tribunal is more than one and if the members differ in opinion on any point, the point shall be decided according to the opinion of the majority, if there is a majority, but, if the members are equally divided, the decision of the Chairman of the Appellate Tribunal thereon shall be

final.

(6) Subject to the previous sanction of the Central Government, the Appellate Tribunal shall, for the purpose of regulating its procedure and disposal of its business, make regulations consistent with the provisions of this Act and the rules made thereunder.

(7) The regulations made under sub-section (6) shall be published in the Official Gazette.

(8) The Appellate Tribunal shall, for the purpose of discharging its functions, have all the powers which are vested in the Commissioner under section 42 and any proceeding before the Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purpose of section 196 of the Indian Penal Code (45 of 1860), and the Appellate Tribunal shall be deemed to be a civil court for all the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974).

## CHAPTER IV

### REGISTRATION, AMENDMENT AND CANCELLATION

**14. Registration.**—(1) No dealer shall, while being liable to pay tax under section 3, carry on business as a dealer unless he has been registered and possesses a certificate of registration.

(2) Every dealer required by sub-section (1) to be registered shall make an application for registration within such time, in such manner and to such authority, as may be prescribed.

(3) If the said authority is satisfied that the application is in order, it shall, in accordance with such rules as may be prescribed, register the applicant within the prescribed period and grant him a certificate of registration in the prescribed form which shall specify the goods or class of goods for the purposes of sub-clause (v) of clause (a) of sub-section (2) of section 4:

Provided that if the said authority is of opinion that the application is not in order, it shall, by an order passed within the said period and for reasons to be recorded in writing, reject the application:

Provided further that no goods or class of goods in respect of which the points of sale has been specified by the Administrator under section 5 shall be specified in a certificate of registration, and where a notification is issued under that section subsequent to the grant of any certificate of registration in respect of any goods or class of goods specified in a certificate, the said certificate shall be deemed to have been amended to omit the references to such goods or class of goods.

(4) For the removal of doubts, it is hereby declared that the goods or class of goods to be specified in a certificate of registration granted under sub-section (3) of this section or sub-section (2) of section 16 shall not include goods referred to in sub-clause (i) or sub-clause (ii) of clause (a) of sub-section (2) of section 4.

**15. Voluntary registration.**—(1) Any dealer, other than a dealer who deals exclusively in one or more classes of goods specified in the Third Schedule, whose turnover during a year exceeds twenty-five thousand rupees may, notwithstanding that he may not be liable to pay tax under section 3, apply for registration under this section.

(2) The provisions of sub-sections (2), (3) and (4) of section 14 shall, as far as may be, apply in relation to registration of dealers under this section.

(3) Every dealer who has been registered under this section shall, for so long as his registration remains



in force, be liable to pay tax under this Act.

(4) The registration of a dealer under this section shall be in force for a period of not less than three complete years and shall remain in force thereafter unless cancelled under the provisions of this Act.

**16. Provisional registration.**—(1) Any person who intends to establish a business in Delhi for the purpose of manufacturing goods of a value exceeding thirty thousand rupees per year, may, notwithstanding that he is not required to be registered under section 14, apply for provisional registration in such manner and to such authority as may be prescribed.

(2) If the said authority, after making such inquiry as it may consider necessary, is satisfied as to the *bona fide* intention of the person making the application, it may, subject to such restrictions and condition as it may impose, grant a provisional certificate of registration on such person furnishing such security as it may consider necessary and shall specify in such certificate the goods or class of goods for the purposes of sub-clause (v) of clause (a) of sub-section (2) of section 4.

(3) Every person who has been granted a provisional certificate of registration under this section shall, for so long as such certificate is in force, be liable to pay tax under this Act.

(4) A provisional certificate of registration granted under this section shall be in force for such period as may be specified therein.

(5) The authority prescribed under sub-section (1) may, on application made in this behalf in the prescribed manner and subject to such restrictions and conditions as it may impose, extend, from time to time, the period specified in the provisional certificate of registration.

(6) The provisions of section 18 shall, so far as may be, apply in relation to security required to be furnished under sub-section (2) of this section.

(7) If a person, who has been granted a provisional certificate of registration under this section, fails without sufficient cause to establish a business within the period specified in such certificate or fails to comply with any of the restrictions or conditions subject to which such certificate was granted, he shall be liable to pay a penalty equal to one and a half times the amount of tax which would have been payable had he not been so registered under this section.

**17. Special registration.**—(1) No dealer shall, while being liable to pay tax under sub-section (5) of section 3, carry on business as a dealer unless he has obtained a special certificate of registration.

(2) Every dealer required to be registered under sub-section (1) shall make an application for registration within such time, in such manner and to such authority, as may be prescribed.

(3) If the said authority is satisfied that the application is in order, it shall, in accordance with such rules as may be prescribed, grant a special certificate of registration to the applicant in the described form:

Provided that the said authority shall not specify in any such certificate the goods or class of goods for the purposes of sub-clause (v) of clause (a) of sub-section (2) of section 4.

**18. Security from certain class of dealers.**—(1) The Commissioner may, if it appears to him to be necessary so to do for the proper realisation of the tax, composition money or other dues payable under this Act or for the proper custody and use of the forms referred to in the second proviso to clause (a) of sub-section (2) of section 4, or the first proviso to section 5, as the case may be, impose, for reasons to be recorded in writing as a condition of the grant of the certificate of registration under section 14, section 15 or section 17 to a dealer or of

the continuance in effect of such certificate granted to any dealer, a requirement that the dealer shall furnish in the prescribed manner and within such time as may be specified in the order such security or, as the case may be, such additional security as may be so specified, for all or any of the aforesaid purposes.

(2) No dealer shall be required to furnish any security or additional security under sub-section (1) unless he has been given an opportunity of being heard and the amount of security or additional security that may be required to be furnished, shall,—

(a) in the case of a dealer liable to pay tax under sub-section (2) of section 3 who has applied for the grant of a certificate of registration under section 14, be such amount as the Commissioner may, having regard to the nature and size of the business of such dealer, determine for the payment of the tax for which the dealer may be or become liable under this Act;

(b) in a case where security is to be given for the proper custody and use of the forms referred to in sub-section (1), be the amount of tax determined by the Commissioner which is likely to be saved by a dealer by the issue of such forms;

(c) in any other case, not exceeding the tax payable, in accordance with the estimate of the Commissioner on the taxable turnover of the dealer, for the year in which such security or additional security is required to be furnished.

(3) Where the security or additional security furnished by a dealer is in the form of a surety bond and the surety dies or becomes insolvent, the dealer shall, within thirty days of the occurrence of such event, inform the authority granting the certificate of registration and shall, within ninety days of such occurrence, execute a fresh surety bond.

(4) The Commissioner may by order, for good and sufficient cause, and after giving the dealer an opportunity of being heard, forfeit the whole or any part of the security furnished by a dealer.

(5) Where, by reason of an order under sub-section (4), the security furnished by any dealer is forfeited in whole or is rendered insufficient, he shall furnish a fresh security of the requisite amount or, as the case may be, shall make up the deficiency in such manner and within such period as may be specified in the order.

**19. Amendment of certificate of registration.**—(1) The Commissioner may, after considering any information furnished under this Act or otherwise received and after making such inquiry as he may deem fit, amend from time to time any certificate of registration.

(2) An amendment of the certificate of registration made under sub-section (1) shall take effect:—

(a) in the case of a change in the name, ownership or place of business, or opening of a new place of business, from the date of the contingency which necessitates the amendment whether or not information in that behalf is furnished within the time prescribed under section 40;

(b) in the case of any addition or modification in the description of any goods or class of goods in the certificate of registration, from the date of the contingency if information in that behalf is furnished within the time prescribed under section 40 and from the date of receipt of request for such addition or modification by the Commissioner, in any other case;

(c) in the case of deletion of any goods or class of goods, from the date of order of deletion:

Provided that the Commissioner shall, before amending on his own motion a certificate of registration, give

the dealer affected by such amendment a reasonable opportunity of being heard:

Provided further that where in consequence of a change in the ownership of a business the liability to pay tax of a dealer ceases, the amendment of the certificate of registration shall take effect from the date on which information in respect of such change is furnished under section 40.

(3) Any amendment of a certificate of registration under this section shall be without prejudice to any liability for tax or penalty imposable, or for any prosecution for an offence under this Act.

(4) For the removal of doubts, it is hereby declared that where a registered dealer—

- (a) effects a change in the name of his business; or
- (b) is a firm and there is a change in the constitution of the firm without dissolution thereof; or
- (c) is a trustee of a trust and there is a change in the trustees thereof; or
- (d) is a guardian of a ward and there is a change in the guardian; or
- (e) is a Hindu undivided family and the business of such family is converted into a partnership business with all or any of the co-partners as partners thereof,

then, merely by reason of any of the circumstances aforesaid, it shall not be necessary for the dealer, or the firm who changed constitution or the new trustees, or the new guardian, or as the case may be, the partners of such partnership business, to apply for a fresh certificate of registration and on information being furnished in the manner required by section 40 the certificate of registration shall be amended.

**20. Cancellation of certificate of registration.—(1)** Where—

- (a) any business in respect of which a certificate of registration has been granted to a dealer under this Act, is discontinued; or
- (b) in the case of transfer of business by a dealer, the transferee already holds a certificate of registration under this Act; or
- (c) a dealer has ceased to be liable to pay tax under this Act,

the Commissioner may cancel the certificate of registration of such dealer or the transferor, as the case may be, from such date as may be specified by him:

Provided that in a case referred to in clause (a) or clause (b), the certificate of registration shall be deemed to be inoperative with effect from the date of discontinuance or transfer of the business, as the case may be, and in a case referred to in clause (c), from the date on which the dealer's liability to pay tax has ceased, notwithstanding the fact that the order of cancellation is passed or that the particulars of the dealer regarding cancellation are published, as required by section 65, in the Official Gazette, after the aforesaid date:

Provided further that where a dealer has failed to furnish information regarding discontinuance of his business as required by section 40, the Commissioner shall before cancelling the certificate from any specified date, publish in the Official Gazette, a notice of his intention so to do for the information of the dealer and shall hear objections, if any, of the dealer before passing the order.

(2) A dealer registered under section 15 may, subject to the provisions of sub-section (4) of that section, apply in the prescribed manner not later than six months before the end of a year to the Commissioner for cancellation of his certificate of registration and the Commissioner shall, unless the dealer is liable to pay tax under section 3, cancel the certificate of registration accordingly, and such cancellation shall take effect from the end of the year.

(3) Notwithstanding anything contained in sub-sections (1) and (2), the Commissioner may at any time for reasons to be recorded in writing and after giving the dealer an opportunity of being heard, cancel the certificate of registration held by such dealer from such date as the Commissioner may specify in this behalf—

- (a) if the dealer has failed to pay any tax (including any penalty) due from him under any provisions of this Act; or
- (b) if the dealer holds or accepts or furnishes or causes to be furnished a declaration for the purposes of sub-clause (v) of clause (a) of sub-section (2) of section 4 or section 5 which he knows or has reason to believe to be false; or
- (c) if the dealer who has been required to furnish the security under the provisions of section 18 has failed to furnish such security; or
- (d) if the dealer contravenes or has contravened any of the provisions of this Act; or
- (e) Bengal Act VI of 1941.—if the dealer has been convicted of an offence under this Act or under the Bengal Finance (Sales Tax) Act, 1941, as then in force in Delhi; or
- (f) if there is any other reason which in the opinion of the Commissioner warrants such cancellation.

(4) (a) If an order of cancellation passed under sub-section (3) is set aside as a result of an appeal or other proceeding under this Act, the certificate of registration of the dealer shall be restored and he shall be liable to pay tax as if his certificate had not been cancelled.

(b) If any dealer whose certificate of registration has been restored under clause (a) satisfies the Commissioner that tax has been paid by such dealer on sale of goods made to him during the period his certificate of registration was inoperative which, but for the cancellation of such certificate he would not have paid, then the amount of such tax shall be adjusted or refunded in such manner as may be prescribed.

(5) Every dealer who applies for cancellation of his registration shall surrender with his application the certificate of registration granted to him and every dealer whose registration is cancelled otherwise than on the basis of his application shall surrender the certificate of registration within seven days of the date of communication to him of the order of cancellation.

(6) If a dealer fails to surrender his certificate of registration as provided in sub-section (5), the Commissioner may, by an order in writing and after giving the dealer an opportunity of being heard, direct that the dealer shall pay, by way of penalty, a sum not exceeding twenty-five rupees for every day of default.

(7) The cancellation of a certificate of registration shall not affect the liability of any person to pay tax due for any period prior to the date of such cancellation, whether such tax is assessed before the date of cancellation but remains unpaid or is assessed thereafter notwithstanding that he is not liable to pay tax under this Act.

(8) Where by any order passed under this Act it is found that any person registered as a dealer ought not to have been so registered, then, notwithstanding anything contained in this Act, such person shall be liable to pay tax for the period commencing with the date of his registration and ending with the date of such order, as if he were a dealer.

## CHAPTER V

### RETURNS, ASSESSMENT, RECOVERY AND REFUND OF TAX

#### 21. Periodical payment of tax and filing of returns.—

(1) Tax payable under this Act shall be paid in the manner hereinafter provided at such intervals as may be prescribed.



(2) Every registered dealer and every other dealer who may be required so to do by the Commissioner by notice served in the prescribed manner shall furnish such returns of turnover by such dates and to such authority as may be prescribed.

(3) Every registered dealer required to furnish returns under sub-section (2) shall pay into a Government Treasury or the Reserve Bank of India or in such other manner as may be prescribed, the full amount of tax due from him under this Act according to such return, and shall where such payment is made into a Government Treasury or the Reserve Bank of India furnish along with the return a receipt from such Treasury or Bank showing the payment of such amount.

(4) If any registered dealer discovers any mistake or error in any return furnished by him, he may at any time, before the expiry of three months next following the last date prescribed for furnishing of the return, furnish a revised return, and if the revised return shows a higher amount of tax to be due than was shown in the original return, it shall be accompanied by a receipt showing payment in the manner provided in sub-section (3) of the excess amount.

(5) Every return under this section shall be signed and verified—

- (a) in the case of an individual, by the individual himself, and where the individual is absent from India by the individual concerned or by some person duly authorised by him in this behalf and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;
- (b) in the case of a Hindu undivided family, by a *karta*, and where the *karta* is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family;
- (c) in the case of a company or local authority, by the principal officer thereof;
- (d) in the case of a firm, by any partner thereof, not being a minor;
- (e) in the case of any other association, by any member of the association or the principal officer thereof; and
- (f) in the case of any other person, by that person or by some person competent to act on his behalf.

(6) For the purposes of sub-section (5) of this section and section 59 the expression "principal officer" shall have the meaning assigned to it under clause (35) of section 2 of the Income-tax Act, 1961 (43 of 1961).

**22. Collection of tax only by registered dealers.**—(1) No person who is not a registered dealer shall collect in respect of any sale of goods by him in Delhi any amount by way of tax under this Act, and no registered dealer shall make any such collection except in accordance with this Act and the rules made thereunder.

(2) Notwithstanding anything contained in sub-section (1), a dealer who has been permitted by the Commissioner to make a lump sum payment under section 29 shall not collect any sum by way of tax on the sale of goods if made during the period to which such lump sum payment relates.

**23. Assessment.**—(1) The amount of tax due from a registered dealer shall be assessed separately for each year during which he is liable to pay the tax:

Provided that when such dealer fails to furnish a return relating to any period of a year by the prescribed date, the Commissioner may, if he thinks fit, assess the tax due from such dealer separately for that period or any other period of such year:

Provided further that the Commissioner may, subject to such conditions as may be prescribed and for reasons

to be recorded in writing, assess the tax due from any dealer for a part of a year.

(2) If the Commissioner is satisfied that the returns furnished in respect of any period are correct and complete, he shall assess the amount of tax due from the dealer on the basis of such returns.

(3) (a) If the Commissioner is not satisfied that the returns furnished in respect of any period are correct and complete and he thinks it necessary to require the presence of the dealer or the production of further evidence, he shall serve on such dealer in the prescribed manner a notice requiring him on a date and at a place specified therein either to attend and produce or cause to be produced all evidence on which such dealer relies in support of his returns, or to produce such evidence as is specified in the notice.

(b) On the date specified in the notice, or as soon as may be thereafter, the Commissioner shall, after considering all the evidences which may be produced, assess the amount of tax due from the dealer.

(4) If a dealer fails to comply with the terms of any notice issued under sub-section (3), the Commissioner shall assess to the best of his judgment the amount of tax due from him.

(5) If a dealer fails to furnish returns in respect of any period by the prescribed date, the Commissioner shall, after giving the dealer a reasonable opportunity of being heard, assess to the best of his judgment the amount of tax, if any, due from him.

(6) If, upon information which has come into his possession, the Commissioner is satisfied that any dealer who has been liable to pay tax under this Act in respect of any period, has failed to get himself registered under section 14 or section 17, as the case may be, the Commissioner shall proceed in such manner as may be prescribed to assess to the best of his judgment the amount of tax due from the dealer in respect of such period and all subsequent periods and in making such assessment shall give the dealer a reasonable opportunity of being heard, and the Commissioner may, if he is satisfied that the default was made without reasonable cause, direct that the dealer shall pay, by way of penalty, in addition to the amount of the tax so assessed, a sum not exceeding twice that amount.

(7) No assessment under the provisions of sub-sections (1) to (5) shall be made after the expiry of four years, and no assessment under the provisions of sub-section (6) shall be made after the expiry of six years from the end of the year in respect of which or part of which the tax is assessable:

Provided that where such assessment is made in consequence of or to give effect to, any order of an appellate or revisional authority or of a court, the period of four years or six years, as the case may be, shall be reckoned from the date of such order and further that the provisions of sub-section (1) of section 24 regarding time limit for service of notice shall not apply for assessment made under this proviso.

(8) Any assessment made under this section shall be without prejudice to any prosecution for an offence under this Act.

**24. Turnover escaping assessment.**—(1) Where after a dealer has been assessed under section 23 for any year or part thereof, the Commissioner has reason to believe that the whole or any part of the turnover of a dealer in respect of any year has escaped assessment to tax or has been under-assessed or has been assessed at a rate lower than the rate at which it is assessable, or any deduction has been wrongly made therefrom, the Commissioner may—

(a) within six years from the date of final order of

assessment, in a case where the dealer has concealed, omitted or failed to disclose fully the particulars of such turnover; and

- (b) within four years from the date of final order of assessment, in any other case,

serve notice on the dealer and after giving the dealer an opportunity of being heard and making such inquiry as he considers necessary, proceed to determine to the best of his judgment, the amount of tax due from the dealer in respect of such turnover, and the provisions of this Act shall, so far as may be, apply accordingly.

**Explanation.**—For the purposes of this section, production before the Commissioner of account books or other evidence from which material evidence could with due diligence have been discovered by the Commissioner will not necessarily amount to disclosure within the meaning of this section.

(2) No order of assessment, reassessment or re-computation shall be made under sub-section (1), after—

- (a) the expiry of four years or, as the case may be, six years as specified in sub-section (7) of section 23; or

- (b) the expiry of one year from the date of service of notice under sub-section (1),

whichever is later:

**25. Payment and recovery of tax.**—(1) The amount of tax—

- (a) due where returns have been furnished without the receipt showing full payment thereof; and  
(b) assessed, reassessed or re-computed for any period under section 23 or section 24, less the amount, if any, already paid by the dealer in respect of the said period,

shall together with any penalty that may be directed to be paid under any of the provisions of this section, sub-section (6) of section 23, section 55, section 56 or section 57 be paid by the dealer or the person liable therefor into a Government Treasury or the Reserve Bank of India or in such other manner as may be prescribed within thirty days from the date of service of notice of demand issued by the Commissioner for this purpose:

Provided that where the Commissioner has reason to believe that it will be detrimental to revenue if the full period of thirty days aforesaid is allowed, he may direct that the sum specified in the notice of demand shall be paid within such period being a period less than the period of thirty days aforesaid, as may be specified by him in that notice.

(2) On an application made before the expiry of the due date under sub-section (1), the Commissioner may, in respect of any particular dealer or person and for reasons to be recorded in writing, extend the time for payment or allow payment by instalments or grant stay, subject to such conditions as he may think fit to impose in the circumstances of the case.

(3) If the amount of tax and penalty, if any, is not paid within the time specified in sub-section (1) or extended under sub-section (2), as the case may be, the dealer or the person liable therefor shall be deemed to be in default in respect of that amount.

(4) In a case where payment by instalments is allowed under sub-section (2) and the dealer or the person liable for such payment commits default in paying any one of the instalments within the time fixed under that sub-section, the dealer or the person aforesaid shall be deemed to be in default in respect of the whole of the amount then outstanding and the other instalment or instalments shall be deemed to have been due on the same date as the instalment actually in default.

(5) When a dealer or a person is in default or is deemed to be in default in making payment of tax and penalty, if any, he shall, in addition to the amount of

arrears payable under the foregoing sub-sections, be liable to pay, by way of penalty, an amount which in the case of a continuing default may be increased, from time to time, so however, that the total amount of penalty does not exceed the amount in arrears:

Provided that before levying any such penalty, the dealer or the person aforesaid shall be given a reasonable opportunity of being heard.

(6) Where, as a result of any final order the amount of tax and penalty, if any, with respect to the default, in the payment of which the penalty was levied, has been wholly reduced, the penalty levied shall be cancelled and the amount of penalty paid shall be refunded.

(7) Any amount of tax or penalty in respect of which a dealer or person is in default, or any composition money due under section 29 or section 54 which remains unpaid, shall be recoverable as an arrear of land revenue:

Provided that where security, other than in the form of surety bond, has been furnished by a dealer under sub-section (2) of section 16 or section 18, the Commissioner may, for good and sufficient reasons in writing, realise any amount of tax or penalty, or composition money remaining unpaid as aforesaid or part thereof by ordering forfeiture of the whole or any part of the security.

**26. Continuation of certain recovery proceedings.**—

Where any notice of demand in respect of any tax or penalty or any other amount payable under this Act (hereafter in this section referred to as "government dues") is served upon any dealer, and any appeal, revision application or other proceeding is filed or taken in respect of such government dues, then,—

- (a) where such government dues are enhanced in such appeal, revision or other proceeding, the Commissioner shall serve upon the dealer another notice of demand only in respect of the amount by which such government dues are enhanced and any recovery proceedings in relation to such government dues as are covered by the notice of demand served upon him before the disposal of such appeal, revision application or proceeding may, without the service of any fresh notice of demand, be continued from the stage at which such proceedings stood immediately before such disposal;

- (b) where such government dues are reduced in such appeal, revision or proceeding,—

- (i) it shall not be necessary for the Commissioner to serve upon the dealer a fresh notice of demand;
- (ii) the Commissioner shall give intimation of such reduction to him and to the appropriate authority with whom recovery proceedings are pending;
- (iii) any recovery proceedings initiated on the basis of the notice of demand served upon him before the disposal of such appeal, revision application or proceeding may be continued in relation to the amount so reduced from the stage at which such proceedings stood immediately before such disposal.

**27. Interest.**—(1) If any dealer fails to pay the tax due as required by sub-section (3) of section 21, he shall, in addition to the tax (including any penalty) due, be liable to pay simple interest on the amount so due at one per cent per month from the date immediately following the last date for the submission of the return under sub-section (2) of the said section for a period of one month, and at one and a half per cent per month thereafter for so long as he continues to make default in such payment or till the date of completion of assessment under section 23, whichever is earlier.

(2) When a dealer or a person is in default or is deemed to be in default in making the payment of tax, he shall, in addition to the amounts payable under section 23 or section 24, be liable to pay simple interest on such amount at one per cent per month from the date of such default for a period of one month, and at one and a half per cent per month thereafter for so long as he continues to make default in the payment of the said amount.

(3) Where as a result of any final order the amount of tax (including any penalty) due or in default is wholly reduced, the amount of interest, if any, paid shall be refunded, or if such amount is varied, the interest due shall be calculated accordingly:

Provided that where any amount of tax payable is enhanced by any such order, interest shall be payable on the amount by which the tax is enhanced after the expiry of a period of three months from the date of the order:

Provided further that where the realisation of any amount remains stayed by the order of any court or authority and such order is subsequently vacated, interest shall be payable also for any period during which such order remained in operation.

(4) The interest payable under this section shall be deemed to be tax due under this Act.

**28. Special mode of recovery.**—(1) Notwithstanding anything contained in any law or contract to the contrary, the Commissioner may, at any time or from time to time, by notice in writing, a copy of which shall be forwarded to the dealer at his last known address, require—

(a) any person from whom any amount of money is due, or may become due, to a dealer on whom notice has been served under sub-section (1) of section 25, or

(b) any person who holds or may subsequently hold, money for or on account of such dealer,

to pay to the Commissioner, either forthwith upon the money becoming due or being held or within the time specified in the first mentioned notice (but not before the money becomes due or is held as aforesaid) so much of the money as is sufficient to pay the amount due by the dealer in respect of the arrears of tax and penalty under this Act, or the whole of the money when it is equal to or less than that amount.

**Explanation.**—For the purposes of this sub-section, the amount of money due to a dealer from, or money held for or on account of a dealer by, any person, shall be calculated by the Commissioner after deducting therefrom such claims (if any) lawfully subsisting, as may have fallen due for payment by such dealer to such person.

(2) The Commissioner may amend or revoke any such notice or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the dealer, and the receipt thereof by the Commissioner shall constitute a good and sufficient discharge of the liability of such person to the extent of the amount specified in the receipt.

(4) Any person discharging any liability to the dealer after receipt of the notice referred to in this section, shall be personally liable to the Commissioner to the extent of the liability discharged or to the extent of the liability of the dealer for tax and penalty, whichever is less.

(5) Where a person to whom a notice under this section is sent, proves to the satisfaction of the Commissioner that the sum demanded or any part thereof is not due to the dealer or that he does not hold any money for or on account of the dealer, then, nothing contained in this section shall be deemed to require such person

to pay any such sum or part thereof, as the case may be, to the Commissioner.

(6) Any amount of money which the aforesaid person is required to pay to the Commissioner, or for which he is personally liable to the Commissioner under this section shall, if it remains unpaid, be recoverable as an arrear of land revenue.

(7) The Commissioner may apply to the court in whose custody there is money belonging to the dealer for payment to him of the entire amount of such money or if it is more than the tax and penalty, if any, due, an amount sufficient to discharge such tax and the penalty.

**29. Lump sum payment of tax.**—The Commissioner may, in such circumstances and subject to such conditions as may be prescribed, permit any dealer to pay in lieu of the amount of tax payable by him under the provisions of this Act, a lump sum determined in the prescribed manner, by way of composition.

**30. Refund.**—(1) If any person satisfies the Commissioner that the amount of tax paid by him or on his behalf for any year exceeds the amount payable by him under this Act for that year, he shall, on making a claim in the prescribed form and verified in the prescribed manner, be entitled to refund of the excess either by cash payment or at his option by deduction of such excess from the amount of tax and penalty (if any) due in respect of any other period:

Provided that the Commissioner shall first apply such excess towards the recovery of any amount in respect of which a notice under section 25 has been issued and shall then refund the balance, if any.

**Explanation.**—When no assessment is made, the due tax paid under section 21 by the dealer shall be deemed to be the tax payable under this Act.

(2) Where on account of death, incapacity, insolvency, liquidation or other cause a person is unable to claim or receive any refund due to him, his legal representative or the trustee or guardian or receiver, as the case may be, shall be entitled to claim or receive such refund for the benefit of such person or his estate.

(3) No claim for refund under sub-section (1) shall be allowed unless it is made within a period of twelve months from the date of the order giving rise to a claim for such refund, and the Commissioner shall, except as otherwise provided in this Act, refund any amount which becomes due to a dealer in the prescribed manner:

Provided that the Commissioner may allow a claim for refund to be made after the expiry of the said period but not later than twelve months from such expiry, if he is satisfied that there was sufficient cause for not making such claim within that period.

(4) Where an amount required to be refunded by the Commissioner to any person as a result of any order passed in appeal or other proceedings under this Act is not so refunded to him within ninety days from the date of his claim under sub-section (3), such person shall be entitled to be paid simple interest on such amount at one per cent per month from the date immediately following the expiry of the period of ninety days for a period of one month and at one and a half per cent per month, thereafter for so long as the refund is not made.

**Explanation.**—If the delay in making the refund during any of the periods referred to in this sub-section is attributable to the person making the claim, whether wholly or in part, the period of the delay attributable to him shall be excluded from the period for which interest is payable.

(5) Where any question arises as to the period to be excluded for the purposes of calculation of interest under

sub-section (4), such question shall be determined by the Commissioner whose decision thereon shall be final.

(6) Where an order giving rise to a refund is the subject of an appeal or further proceeding or where any other proceeding under this Act is pending and the Commissioner is of opinion that the grant of the refund is likely to adversely affect the revenue, the Commissioner may withhold the refund till such time as the Commissioner may determine.

(7) In any claim for refund, it shall not be open to the dealer to question the correctness of any assessment or other matter decided which has become final and conclusive or ask for a review of the same and the dealer shall not be entitled to any relief on such claim except refund of tax wrongly paid or paid in excess.

(8) Any tax levied and collected under this Act in respect of sale in Delhi of any declared goods which are subsequently sold in the course of inter-State trade or commerce, shall be reimbursed to the person making the sale in the course of inter-State trade or commerce, in such manner and subject to such conditions as may be prescribed.

*Explanation.*—For the purpose of sub-section (8), "declared goods" means goods declared by section 14 of the Central Sales Tax Act, 1956 (74 of 1956) to be of special importance in inter-State trade or commerce.

31. (1) Where the Commissioner is satisfied that delay beyond the prescribed period has occurred in the grant of a certificate of registration to a dealer and that such delay was not wholly due to any fault, omission or negligence on the part of the dealer, the amount of tax, if any, paid on sales of goods made to such dealer which would not have been payable but for the delay in the grant of a certificate of registration as aforesaid, shall be adjusted against any amount payable by the dealer under this Act:

Provided that—

- (a) in case the amount of tax so paid by the dealer exceeds his liability to pay any amount under this Act, the adjustment shall be made to the extent of such liability and the balance shall be refunded to the dealer; and
- (b) in case there is no liability to pay any amount under this Act, the entire amount of tax paid shall be refunded to the dealer:

Provided further that the dealer shall not be entitled to any such adjustment or refund in respect of the goods which are not specified in the certificate of registration granted to him.

(2) No application for adjustment or refund of tax under this section shall be entertained unless it is made within three months from the date on which a certificate of registration is granted to the dealer.

## CHAPTER VI

### LIABILITY IN SPECIAL CASES

32. *Liability in case of transfer of business.*—(1) Where a dealer, liable to pay tax under this Act, transfers his business in whole or in part, by sale, gift, lease, leave or licence, hire or in any other manner whatsoever, the dealer and the person to whom the business is so transferred shall jointly and severally be liable to pay the tax (including any penalty) due from the dealer up to the time of such transfer, whether such tax (including any penalty) has been assessed before such transfer, but has remained unpaid or is assessed thereafter.

(2) Where the transferee or the lessee of a business referred to in sub-section (1) carries on such business either in his own name or in some other name, he shall be liable to pay tax on the sale of goods effected by him with effect from the date of such transfer and shall, if he is an existing dealer, apply within the prescribed time for amendment of his certificate of registration.

33. *Liability in case of company in liquidation.*—(1) Every person—

- (a) who is a liquidator of any company which is being wound up whether under the orders of a court or otherwise; or
- (b) who has been appointed the receiver of any assets of a company (hereinafter referred to as the "liquidator");

shall, within thirty days after he has become such liquidator, give notice of his appointment as such to the Commissioner.

(2) The Commissioner shall, after making such inquiries or calling for such information as he may deem fit, notify the liquidator within three months from the date on which he received notice of the appointment of the liquidator, the amount which, in the opinion of the Commissioner, would be sufficient to provide for any tax (including any penalty) which is then, or is likely thereafter to become, payable by the company.

(3) The liquidator shall not part with any of the assets of the company or the properties in his hand until he has been notified by the Commissioner under sub-section (2) and on being so notified, the liquidator shall set aside an amount equal to the amount notified and, until he so sets aside such amount, he shall not part with any of the assets of the company or the properties in his hand:

Provided that nothing contained in this sub-section shall debar the liquidator from parting with such assets or properties in compliance with any order of a court or for the purpose of the payment of the tax and penalty, if any, payable by the company under this Act or for making any payment to secured creditors whose debts are entitled under law to priority of payment over debts due to Government on the date of liquidation or for meeting such costs and expenses of the winding up of the company as are in the opinion of the Commissioner reasonable.

(4) If the liquidator fails to give notice in accordance with sub-section (1) or fails to set aside the amount as required by sub-section (3) or parts with any assets of the company or the properties in his hand in contravention of the provisions of that sub-section, he shall be personally liable for the payment of the tax and penalty, if any, which the company would be liable to pay under this Act:

Provided that if the amount of any tax and penalty, if any, payable by the company is notified under sub-section (2), the personal liability of the liquidator under this sub-section shall be to the extent of such amount.

(5) Where there are more liquidators than one, the obligations and liabilities attached to the liquidator under this section shall attach to all the liquidators jointly and severally.

(6) When any private company is wound up and any tax and penalty, if any, assessed under this Act on the company for any period, whether before or in the course of or after its liquidation, cannot be recovered, then every person who was a director of the private company at any time during the period for which the tax is due shall be jointly and severally liable for the payment



such tax and penalty, if any, unless he proves to the satisfaction of the Commissioner that non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.

(7) The provisions of this section shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.

(8) For the purposes of this section, the expressions "company" and "private company" shall have the meanings respectively assigned to them under clauses (i) and (iii) of sub-section (1) of section 3 of the Companies Act, 1956 (1 of 1956).

**34. Liability of partners of firm to pay tax.**—Notwithstanding any contract to the contrary, where any firm is liable to pay any tax (including any penalty) under this Act, the firm and each of the partners of the firm shall be jointly and severally liable for such payment:

Provided that where any such partner retires from the firm, he shall intimate the date of his retirement to the Commissioner by a notice in that behalf in writing and he shall be liable to pay tax (including any penalty) remaining unpaid at the time of his retirement and any tax (including any penalty) due up to the date of his retirement though unassessed on that date:

Provided further that if no such intimation is given within fifteen days from the date of retirement, the liability of the partner under the first proviso shall continue until the date on which such intimation is received by the Commissioner.

**35. Liability of guardians, trustees, etc.**—Where the business in respect of which tax is payable under this Act is carried on by, or is in charge of any guardian, trustee or agent of a minor or other incapacitated person on his behalf and for the benefit of such minor or other incapacitated person, the tax (including any penalty) shall be levied upon and recoverable from such guardian, trustee or agent, as the case may be, in like manner and to the same extent as it would be assessed upon and recoverable from any such minor or other incapacitated person, if he were of full age and of sound mind and if he were conducting the business himself, and all the provisions of this Act shall, so far as may be, apply accordingly.

**36. Liability of Court of Wards, etc.**—Where the estate or any portion of the estate of a dealer owning a business in respect of which tax is payable under this Act is under the control of the Court of Wards, the Administrator-General, the Official Trustee or any receiver or manager (including any person, whatever be his designation, who is in fact manages the business) appointed by or under any order of a court, the tax (including any penalty) shall be levied upon and be recoverable from such Court of Wards, Administrator-General, Official Trustee, receiver or manager in like manner and to the same extent as it would be assessable upon and be recoverable from the dealer if he were conducting the business himself; and all the provisions of this Act shall so far as may be, apply accordingly.

**37. Liability in other cases.**—(1) Where a dealer is a firm or an association of persons or a Hindu undivided family and such firm, association or family has discontinued business—

(a) the tax payable under this Act, by such firm, asso-

ciation or family up to the date of such discontinuance may be assessed as if no such discontinuance had taken place; and

(b) every person who was at the time of such discontinuance a partner of such firm, or a member of such association or family, shall, notwithstanding such discontinuance, be liable jointly and severally for the payment of tax assessed and penalty imposed and payable by such firm, association or family, whether such tax (including any penalty) has been assessed prior to or after such discontinuance, and subject as aforesaid, the provisions of this Act shall, so far as may be, apply as if every such person or partner or member were himself a dealer:

Provided that where the partner of a firm liable to pay such tax (including any penalty) dies, the provisions of sub-section (4) shall, so far as may be, apply.

(2) Where a change has occurred in the constitution of a firm or association, the partners or members of the firm or association as it existed before and as it exists after its re-constitution, shall, without prejudice to the provisions of section 34, jointly and severally be liable to pay any tax (including any penalty) due from such firm or association for any period before its re-constitution.

(3) The provisions of sub-section (1) shall, so far as may be, apply where the dealer, being a firm or association of persons, is dissolved or where the dealer, being a Hindu undivided family, has effected partition with respect to the business carried on by it and accordingly references in that sub-section to discontinuance shall be construed as references to dissolution or, as the case may be, to partition.

(4) Where a dealer liable to pay tax under this Act dies, then—

(a) if the business carried on by the dealer is continued after his death by his legal representative or any other person, such legal representative or other person, shall be liable to pay the tax (including any penalty) due from the dealer under this Act, whether such tax (including any penalty) has been assessed before his death but has remained unpaid, or is assessed after his death;

(b) if the business carried on by the dealer is discontinued after his death, his legal representative shall be liable to pay out of the estate of the deceased, to the extent the estate is capable of meeting the charge, the tax (including any penalty) due from the dealer under this Act, whether such tax (including any penalty) has been assessed before his death but has remained unpaid, or is assessed after his death,

and the provisions of this Act shall, so far as may be, apply to such legal representative or other person as if he were the dealer himself.

**Explanation.**—For the purposes of this sub-section and section 40, "legal representative" has the meaning assigned to it in clause (11) of section 2 of the Code of Civil Procedure, 1908 (5 of 1908).

## CHAPTER VII

### LIABILITY TO PRODUCE ACCOUNTS AND SUPPLY OF INFORMATION

38. *Accounts.*—(1) Every dealer liable to pay tax under this Act, and every other dealer on whom a notice has been served to furnish returns under sub-section (2) of section 21 shall keep at his place of business a true account of the value of goods bought and sold by him, and if the Commissioner considers that such account is not sufficiently clear and intelligible to enable him to make a proper check of the returns referred to in that sub-section, he may require such dealer by notice in writing to keep such accounts (including records of purchases and sales) as may be specified therein.

(2) The Commissioner may, by notification in the Official Gazette, direct any class of registered dealers generally to keep such accounts (including records of purchases and sales) as may be specified in the notification subject to such conditions and restrictions as may be prescribed.

39. *Memoranda of sales.*—If a registered dealer—

- (a) sells goods to another registered dealer; or
- (b) makes sales in the course of inter-State trade or commerce, or
- (c) sells any goods exceeding ten rupees in value in any one transaction to any other person,

he shall issue to the purchaser a bill or cash memorandum serially numbered, signed and dated by him or his servant, manager or agent and showing therein his name and address and such other particulars as may be prescribed and he shall keep a duplicate or copy of such bill or cash memorandum duly signed and dated and preserve it for a period of not less than five years from the end of the year unless any proceedings in respect of that year are pending in which case they shall be preserved till the final decision in those proceedings:

Provided that if in respect of any goods or class of goods or any dealers or class of dealers, the Administrator is of opinion that it is not practicable to issue any bills or cash memoranda for sale of goods exceeding ten rupees in value in any one transaction to any other person, he may, by notification in the Official Gazette,—

- (i) specify such amount exceeding ten rupees in value as the amount for the issue of such bills or cash memoranda;
- (ii) exempt such goods or class of goods or dealers or class of dealers from the operation of this section.

40. *Information to furnished regarding change of business.*—If any dealer to whom the provisions of sub-section (2) of section 21 apply—

- (a) sells or otherwise disposes of his business or any part of his business or any place of business, or effects or comes to know of any other change in the ownership or the business; or
- (b) discontinues his business or changes his place or business or warehouse, or opens a new place or business; or
- (c) changes the name or nature of his business, or effects any change in the goods or class of goods

in which he carries on his business and which is or are specified in his certificate of registration; or

- (d) enters into partnership or other association in regard to his business,

he shall, within the prescribed time, inform the prescribed authority accordingly, and if any such dealer dies, legal representative shall in like manner inform the said authority.

41. *Production and inspection of accounts and documents and search of premises.*—(1) The Commissioner may, subject to such conditions as may be prescribed, require any dealer—

- (a) to produce before him such books of accounts, registers or documents,
- (b) to furnish such information relating to the stock of goods of, or purchases, sales or deliveries of goods by, the dealer or any other information relating to his business,

as may be deemed necessary, for the purposes of this Act.

(2) (a) All books of accounts, registers and documents relating to the stock of goods of, or purchases, sales and deliveries of goods by, any dealer, and

(b) All goods kept in any place of business or warehouse of any dealer,

shall at all reasonable times be open to inspection by the Commissioner and the Commissioner may take or cause to be taken such copies or extracts of the said books of accounts, registers or documents and such inventory of the goods found as appear to him necessary for the purposes of this Act.

(3) Where the Commissioner, upon information in his possession or otherwise, has reasonable grounds to believe that—

- (a) any person to whom a notice under this Act was issued to produce, or to cause to be produced, any books of accounts or other documents has omitted or failed to produce or caused to be produced such books of accounts or other documents, as required by such notice, or
- (b) any person to whom a notice as aforesaid has been or might be issued, will not, or would not produce or cause to be produced any books of accounts or other documents which will be useful for, or relevant to, any proceedings under the Bengal Finance (Sales Tax) Act, 1941 (Bengal Act VI of 1941), as it was in force in Delhi, or under this Act, or
- (c) books of accounts, registers or documents of any dealer may be destroyed, mutilated, altered, falsified or secreted or any sales by that dealer have been or may be suppressed, with a view to evade or attempt to evade payment of tax due under the Bengal Finance (Sales Tax) Act, 1941 (Bengal Act VI of 1941), as it was in force in Delhi, or under this Act,

the Commissioner or any other person appointed under sub-section (2) of section 9, if so authorised by the Commissioner may—

- (i) enter and search any building or place where

he has reason to suspect that books of accounts and other documents or the sale proceeds are kept;

- (ii) break open the lock of any door, box locker, safe, almirah or other receptacle for exercising the powers conferred by clause (i) where the keys thereof are not available;
- (iii) seize any such books of accounts or other documents or any inventory of goods as appear to him necessary for the purposes of this Act;
- (iv) place marks of identification on any books of accounts or other documents or make or cause to be made extracts or copies therefrom;
- (v) make a note or any inventory of any such money or goods found as a result of such search;
- (vi) seal the premises including the office, shop, godown, box, locker, safe, almirah or other receptacle if the owner or the person in occupation or in charge of such office, shop, godown, box, locker, safe, almirah or other receptacle leaves the place or is not available or fails or refuses to open it when called upon to do so.

(4) The Commissioner may requisition the services of any police officer or any public servant, or of both to assist him for all or any of the purposes specified in sub-section (3).

(5) Where the Commissioner seizes any books of accounts or other documents, he shall give the dealer or the person present on his behalf, as the case may be, a receipt for the same obtain acknowledgment of the receipt so given to him:

Provided that if the dealer or person from whose custody the books of accounts or other documents are seized refuses to give an acknowledgment, the Commissioner may leave the receipt at the premises and record this fact:

Provided further that the dealer or person aforesaid may file objections before the Commissioner against such search, seizure or inventory within seven days of such search or seizure or inventory.

(6) The Commissioner shall keep in his custody the books of accounts, registers or documents seized under sub-section (3) for such period not later than the completion of all the proceedings under this Act in respect of years for which those books of accounts, registers or documents are relevant, as he considers necessary, and thereafter shall return the same to the dealer or any other person from whose custody or power they were seized:

Provided that the Commissioner may, before returning such books of accounts or other documents as aforesaid, place or cause to be placed such marks of identification thereon as appear to him to be necessary:

Provided further that the Commissioner may, before returning the books of accounts and other documents, require that the dealer or the person, as the case may be, shall give written undertaking that the books of accounts and other documents shall be presented whenever required by any competent authority for any proceedings under this Act.

(7) Save as otherwise provided in this section, every search or seizure made under this section shall be carried on in accordance with the provisions of the Code of Cri-

iminal Procedure, 1973 (2 of 1974), relating to searches or seizures made under that Code.

(8) The Commissioner may, for the purposes of this Act,—

- (a) require any person, including a banking company, post office or any officer thereof, to furnish information in relation to such points or matters or to furnish statements of accounts and affairs verified in the manner specified by him, giving information in relation to such points or matters as in his opinion will be useful for, or relevant to, any proceeding under this Act;
- (b) require any person—
  - (i) who transports or holds in custody, for delivery to or on behalf of any dealer any goods to give any information likely to be in his possession in respect of such goods or to permit inspection thereof, as the case may be;
  - (ii) who maintains or has in his possession any books of accounts, registers or documents relating to the business of a dealer to produce such books of accounts, registers or documents for inspection.

42. *Power of Commissioner and other authorities to take evidence on oath, etc.*—(1) The Commissioner or any person appointed under sub-section (2) of section 9 to assist him shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (5 of 1908), when trying a suit, in respect of the following matters, namely:—

- (a) enforcing the attendance of any person and examining him on oath or affirmation;
- (b) compelling the production of accounts and documents; and
- (c) issuing commissions for the examination of witnesses,

and any proceeding under this Act before the Commissioner or any person appointed under sub-section (2) of section 9 to assist him shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 and for the purposes of section 196 of the Indian Penal Code (45 of 1860).

(2) Subject to any rules made in this behalf, any authority referred to in sub-section (1) may impound and retain in its custody for such period as it thinks fit, any books of accounts or other documents produced before it in any proceedings under this Act:

Provided that a person appointed under sub-section (2) of section 9 to assist the Commissioner shall not—

- (a) impound any books of accounts or other documents without recording his reasons for so doing; or
- (b) retain in his custody any such books or documents for a period exceeding thirty days,

without obtaining the approval of the Commissioner therefor.

## CHAPTER VIII

### APPEALS, REFERENCE AND REVISION

43. *Appeals.*—(1) Any person, aggrieved by any order, not being an order mentioned in section 44 passed



under this Act or the rules made thereunder, may appeal to the prescribed authority:

Provided that where an order, not being an order mentioned in section 44 or made under section 47 is passed by the Commissioner, the person aggrieved may appeal therefrom to the Appellate Tribunal.

(2) The Commissioner or any person aggrieved by an order passed in appeal by the prescribed authority may appeal to the Appellate Tribunal against such order.

(3) Subject to the provisions of section 62, no appeal shall be entertained unless it is filed within sixty days from the date of service of the order appealed against.

(4) Every appeal filed under this section shall be in the prescribed form and shall be verified in the prescribed manner and in the case of an appeal to the Appellate Tribunal filed by any person other than the Commissioner, shall be accompanied by a fee of fifty rupees.

(5) No appeal against an order of assessment with or without penalty or against an order imposing the penalty shall be entertained by an appellate authority unless such appeal is accompanied by a satisfactory proof of the payment of tax with or without penalty or, as the case may be, of the payment of the penalty in respect of which the appeal has been preferred:

Provided that the appellate authority may, if it thinks fit, for reasons to be recorded in writing, entertain an appeal against such order—

- (a) without payment of the tax and penalty, if any, or as the case may be, of the penalty, on the appellant furnishing in the prescribed manner, security for such amount as it may direct, or
- (b) on proof of payment of such smaller sum, with or without security for such amount of tax or penalty which remains unpaid, as it may direct:

Provided further that no appeal shall be entertained by the appellate authority unless it is satisfied that such amount of tax as the appellant may admit to be due from him has been paid.

(6) The appellate authority may, after giving the appellant an opportunity of being heard,—

- (a) confirm, reduce, enhance or annul the assessment (including any penalty imposed), or
- (b) set aside the assessment (including any penalty imposed) and direct the assessing authority to make a fresh assessment after such further inquiry as may be directed, or
- (c) pass such order as it may think fit.

(7) Save as provided in section 45, an order passed by the Appellate Tribunal on appeal shall be final.

**44. Non-appealable orders.**—No appeal and no application for revision shall lie against—

- (a) a notice issued under this Act calling upon a dealer for assessment or asking a dealer to show cause as to why he should not be prosecuted for an offence under this Act; or
- (b) an order pertaining to the seizure or retention of books of accounts, registers and other documents; or

(c) an order sanctioning prosecution under this Act; or

(d) an interim order passed in the course of any proceedings under this Act.

**45. Statement of case to the High Court.**—(1) Within sixty days from the date of an order passed by the Appellate Tribunal under sub-section (6) of section 43, the dealer or the Commissioner may, by application in writing, and accompanied, where the application is made by a dealer, by a fee of fifty rupees, require the Appellate Tribunal to refer to the High Court any question of law arising out of such order, and, subject to the other provisions contained in this section, the Appellate Tribunal shall, within one hundred and twenty days of the receipt of such application, draw up a statement of the case and refer it to the High Court:

Provided that the Appellate Tribunal may, if it is satisfied that the dealer or the Commissioner was prevented by sufficient cause from presenting the application within the period hereinbefore specified, allow it to be presented within a further period not exceeding thirty days.

(2) If the Appellate Tribunal refuses to state the case, which it has been required to do, on the ground that no question of law arises, the dealer or the Commissioner, as the case may be, may, within thirty days of the communication of such refusal either withdraw his application (and if he does so, any fee paid shall be refunded), or apply to the High Court against such refusal.

(3) If upon receipt of an application under sub-section (2), the High Court is not satisfied as to the correctness of the decision of the Appellate Tribunal, it may require the Appellate Tribunal to state the case and refer it, and on receipt of such requisition, the Appellate Tribunal shall state the case and refer it accordingly.

(4) If the High Court is not satisfied that the statements in a case referred to it are sufficient to enable it to determine the questions raised thereby, the Court may refer the case back to the Appellate Tribunal for the purpose of making such additions thereto or alterations therein as it may direct in that behalf.

(5) The High Court upon the hearing of any such case shall decide the question of law raised thereby, and shall deliver its judgment thereon containing the grounds on which such decision is founded, and shall send to the Appellate Tribunal a copy of such judgment under the seal of the Court and the signature of the Registrar, and the Appellate Tribunal shall dispose of the case accordingly.

(6) Where a reference is made to the High Court under this section, the costs [which shall not include the fee referred to in sub-section (1)] shall be in the discretion of the Court.

(7) The payment of the amount of tax and penalty (if any) due in accordance with the order of the Appellate Tribunal in respect of which an application has been made under sub-section (1) shall not be stayed pending the disposal of such application or any reference made in consequence thereof but if such amount is reduced as a result of such reference, the excess tax paid shall be refunded in accordance with the provisions of section 30.

**46. Revision of orders prejudicial to revenue.**—The Commissioner may call for and examine the record of any proceeding under this Act and if he considers that

any order passed therein by any person appointed under sub-section (2) of section 9 to assist him, is erroneous in so far as it is prejudicial to the interests of revenue, he may, after giving the dealer an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment and penalty (if any) imposed or cancelling the assessment and penalty (if any) imposed and directing a fresh assessment:

Provided that a final order under this section shall be made before the expiry of five years from the date of the order sought to be revised.

**47. Revision of other orders.**—(1) In the case of any order, other than an order referred to in section 44 or to which section 46 applies, passed by a person appointed under sub-section (2) of section 9 to assist him, the Commissioner may, either on his own motion or on an application filed in accordance with such rules as may be prescribed, call for the record of any proceeding under this Act in which any such order has been passed and may make such inquiry or cause such inquiry to be made and, subject to the provisions of this Act, may pass such orders thereon, not being an order prejudicial to the dealer, as he thinks fit:

Provided that the Commissioner shall not revise any order under this sub-section,—

- (a) where an appeal against the order is pending before the appellate authority under section 43; or
- (b) where, if such appeal lies, the time within which it may be filed has not expired; or
- (c) where in the case of the second appeal, the dealer has not waived his right of appeal.

(2) The Commissioner shall not on his own motion revise any order under this section after the expiry of two years from the date of the order sought to be revised.

(3) In the case of an application for revision under this section by the dealer, the application shall be made within two years from the date on which the order in question was communicated to him or the date on which he otherwise comes to know of it, whichever is earlier.

**48. Rectification of mistakes.**—(1) The Commissioner or any person appointed under sub-section (2) of section 9 to assist him, may at any time within two years from the date of any order passed by the Commissioner or by that person, as the case may be, on his own motion, rectify any mistake apparent from the record, and shall within a like period, rectify any such mistake which has been brought to his notice by any person affected by such order:

Provided that no such rectification shall be made, if it has the effect of enhancing the tax or reducing the amount of refund, unless the Commissioner or the person appointed under sub-section (2) of section 9 to assist him, as the case may be, has given notice in writing to the person likely to be affected by the order of his intention to do so and has allowed such person a reasonable opportunity of being heard.

(2) The provisions of sub-section (1) shall apply to the rectification of a mistake by an appellate authority under section 43 as they apply to the rectification of a mistake by the Commissioner.

(3) Where any matter has been considered and decided in any proceeding by way of appeal or revision relating to an order referred to in sub-section (1) or sub-section (2), the authority passing such order may, notwithstanding anything contained in any law for the time being in force, amend the order under sub-section (1) or sub-section (2), as the case may be, relation to any matter other than the matter which has been so considered and decided.

(4) Where any such rectification has the effect of reducing the amount of the tax or penalty, the Commissioner shall, in the prescribed manner, refund any amount due to such person.

(5) Where any such rectification has the effect of enhancing the amount of the tax or penalty or reducing the amount of the refund, the Commissioner shall recover the amount due from such person in the manner provided for in Chapter V.

(6) Save as provided in the foregoing sub-sections, and subject to such rules as may be prescribed, any assessment made or order passed under this Act or the rules made thereunder by any person appointed under section 9 or by the Appellate Tribunal may be reviewed by such person or by the Appellate Tribunal, as the case may be, *suo motu* or upon an application made in that behalf.

(7) Before any order is passed under sub-section (6) which is likely to affect any person adversely, such person shall be given a reasonable opportunity of being heard.

**49. Determination of disputed questions.**—(1) If any question arises, otherwise than in proceedings before a court, or before the Commissioner has commenced assessment or re-assessment of a dealer under section 23 or section 24, whether for the purposes of this Act,—

- (a) any person, society, club or association or any firm or any branch or department of any firm is a dealer; or
- (b) any particular thing done to any goods amounts to or results in the manufacture of goods within the meaning of that term as given in clause (h) of section 2; or
- (c) any transaction is a sale, and if so, the sale price therefor; or
- (d) any particular dealer is required to be registered; or
- (e) any tax is payable in respect of any particular sale, or if the tax is payable, the rate thereof,

the Commissioner shall, within such period as may be prescribed, make an order determining such question.

**Explanation.**—For the purposes of this sub-section, the Commissioner shall be deemed to have commenced assessment or reassessment of a dealer under section 23 or section 24, when the dealer is served with any notice by the Commissioner under section 23 or section 24, as the case may be.

(2) The Commissioner may direct that the determination shall not affect the liability of any person under this Act as respects any sale effected prior to the determination.

(3) If any such question arises from any order already passed under this Act or under the Bengal Finance (Sales Tax) Act, 1941 (Bengal Act VI of 1941), as then in force

in Delhi, no such question shall be entertained for determination under this section; but such question may be raised in appeal against, or by way of revision of, such order.

## CHAPTER IX

### OFFENCES AND PENALTIES

#### 50. Offences.—(1) Whoever—

- (a) holds, gives, produces or accepts a declaration under the second proviso to clause (a) of sub-section (2) of section 4, or under the first proviso to section 5, which he knows or has reason believe to be false; or
- (b) carries on business as a dealer without obtaining a certificate of registration as required under sub-section (1) of section 14 or sub-section (1) of section 17; or
- (c) not being a registered dealer, represents when purchasing goods that he is a registered dealer; or
- (d) being a registered dealer, represents when purchasing any goods or class of goods not covered by his certificate of registration, that such goods or class of goods are covered by such certificate; or
- (e) fails to comply with the provisions of sub-section (5) of section 20; or
- (f) fails to submit any return as required by sub-section (2) of section 21 by the prescribed date or submits a false return; or
- (g) not being a registered dealer, collects any amount by way of tax under this Act or makes any collection of such tax otherwise than in accordance with this Act or the rules made thereunder; or
- (h) fails to keep a true account of the value of goods bought or sold by him as required by section 38, or fails when required so to do under that section, to keep any account or record of purchases or sales specified in any notice or notification referred to in that section; or
- (i) fails or neglects to issue cash memorandum or bills as required under section 39; or
- (j) knowingly maintains or produces incorrect accounts, registers or documents or knowingly furnishes incorrect information; or
- (k) neglects to furnish any information required by section 40; or
- (l) refuses to comply with any requirements made of him under section 41; or
- (m) closes his place of business with a view to preventing inspection under section 41; or
- (n) obstructs or prevents any officer making inspection, search or seizure under section 41, or performing any functions under section 64, as the case may be; or
- (o) being the owner or person in charge of a goods vehicle fails, neglects or refuses to comply with any of the requirements contained in section 64; or
- (p) aids or abets any person in the commission of any offence specified in clauses (a) to (o);

shall be punishable with rigorous imprisonment for a term which may extend to six months or with fine, or with both, and where the offence is a continuing one, with a

daily fine not exceeding two hundred rupees during the period of the continuance of the offence:

Provided that no prosecution for an offence under this Act shall be instituted in respect of the same in respect of which a penalty has been imposed under section (6) of section 20, sub-section (6) of section 23, section 55, section 56 or section 57:

Provided further that a person shall not be deemed to have committed an offence under clause (b) if he had applied for registration under this Act in accordance with the provisions of sub-section (2) of section 14, or sub-section (2) of section 17, as the case may be.

(2) Notwithstanding anything contained in sub-section (1), if any person commits an offence under clause (a) or clause (f) or clause (j) or clause (l) or clause (m) or clause (o) of that sub-section and the court is satisfied that the offence has been committed wilfully, he shall be punishable with rigorous imprisonment for a term which may extend to six months and with fine, and where the offence is a continuing one, with a daily fine not exceeding three hundred rupees during the period of the continuance of the offence.

51. *Offences by companies.*—(1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.*—For the purposes of this section,—

- (a) "company" means a body corporate, and includes a firm or other association of individuals; and
- (b) "director", in relation to a firm, means a partner in the firm.

52. *Cognizance of offences.*—(1) No court shall take cognizance of any offence under this Act or rules made thereunder except with the previous sanction of the Commissioner, and no court inferior to that of a Metropolitan Magistrate shall try any such offence.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), all offences punishable under this Act or rules made thereunder shall be cognizable and bailable.

53. *Investigation of offences.*—(1) Subject to such

conditions as may be prescribed, the Commissioner may authorise either generally or in respect of a particular case or class of cases any person appointed under sub-section (2) of section 9 to assist him to investigate all or any of the offences punishable under this Act.

(2) Every person so authorised shall, in the conduct of such investigation, exercise the powers conferred by the Code of Criminal Procedure, 1973 (2 of 1974), upon an officer in charge of a police station for the investigation of a cognizable offence.

**54. Composition of offences.**—(1) Subject to such conditions as may be prescribed, the Commissioner may accept, from any person alleged to have committed an offence under section 50 or under any rules made under this Act, either before or after the commencement of any proceedings against such person in respect of such offence, by way of composition for such offence, a sum not exceeding five thousand rupees or where the offence alleged to have been committed is under any of the clauses (a), (b), (c), (d) and (f) of that section, not exceeding three times the amount of the tax which would thereby have been avoided, whichever is higher.

(2) On payment in full of such sum as may be determined by the Commissioner under sub-section (1),—

- (a) no proceedings shall be commenced against such person as aforesaid; and
- (b) if any proceedings have already been commenced against such person as aforesaid, such proceedings shall not be further proceeded with.

**55. Imposition of penalty.**—(1) If a dealer fails without reasonable cause to furnish any return by the prescribed date as required under sub-section (2) of section 21, or to pay the tax due according to the return as required by sub-section (3) of that section, the Commissioner may after giving the dealer an opportunity of being heard, direct that the dealer shall pay, by way of penalty, in addition to the amount of tax payable, a sum not exceeding twice that amount or where no tax is payable a sum not exceeding two thousand rupees.

(2) The penalties specified under sub-section (1) may be imposed by the Commissioner notwithstanding the fact that assessment proceedings have not been initiated against the dealer under section 23.

**56. Penalty for concealment of sales or furnishing inaccurate particulars or making false representations.**—(1) If the Commissioner or any person appointed under sub-section (2) of section 9 to assist him, in the course of any proceedings under this Act, is satisfied that a dealer has concealed the particulars of his sales or has furnished inaccurate particulars of his sales, he may, after giving the dealer a reasonable opportunity of being heard, direct that the dealer shall pay, by way of penalty, in addition to the amount of tax payable, a sum not exceeding two and a half times the amount of tax which would thereby have been avoided.

(2) If a person commits an offence under clause (a) of section 50, the Commissioner or any person appointed under sub-section (2) of section 9 to assist him may, after giving that person a reasonable opportunity of being heard, by order in writing, impose upon such person by way of penalty a sum not exceeding two and a half times the amount of tax which would thereby have been avoided.

(3) If a person purchasing goods commits an offence under clause (c) or clause (d) of section 50, the authority which granted him, or, as the case may be, is competent to grant him a certificate of registration under this Act, may, after giving him a reasonable opportunity of being heard, by order in writing, impose upon him by way of penalty, a sum not exceeding two and a half times the tax which would have been levied under this Act in respect of the sale to him of the goods, if the offence had not been committed.

**57. Penalty for contravening provisions regarding collection of tax by dealers.**—If any person acts in contravention of the provisions of section 22, he shall be liable to a penalty not exceeding two and a half times the tax wrongly collected:

Provided that the Commissioner shall not impose such penalty unless the person concerned has been given an opportunity of being heard.

## CHAPTER X

### MISCELLANEOUS

**58. Service of notice when family is disrupted or firm dissolved.**—(1) Where a Hindu undivided family has been partitioned, notices under this Act shall be served on the person who was the last manager of the Hindu family, or if such person cannot be found, then on all adults who were members of the Hindu family, immediately before the partition.

(2) Where a firm or an association of persons is dissolved, notices under this Act may be served on any person who was a partner (not being a minor) of the firm, or member of the association, as the case may be, immediately before its dissolution.

**59. Service of notice in the case of discontinued business.**—Where an assessment is to be made in respect of business which has been discontinued, a notice under this Act shall be served in the case of a firm or an association of persons, on any person who was a member of such firm or association at the time of its discontinuance or in the case of a company on the principal officer thereof.

**60. Appearance before any authority in proceedings.**—(1) Any person, who is entitled or required to attend before any authority in connection with any proceedings under this Act, may attend,—

- (a) by a person authorised by him in writing in this behalf, being a relative or a person regularly employed by him; or
- (b) by a legal practitioner or chartered accountant who is not disqualified by or under sub-section (2); or
- (c) by a sales tax practitioner who possesses the prescribed qualifications and is entered in the list which the Commissioner shall maintain in that behalf, and who is not disqualified by or under sub-section (2).

(2) The Commissioner may, by order in writing and for reasons to be recorded therein, disqualify for such period as is stated in the order from attending before any such authority any legal practitioner, chartered accountant or sales tax practitioner—

- (i) who has been removed or dismissed from Government service; or
- (ii) who being a legal practitioner or chartered accountant is found guilty of misconduct in connection with any proceedings under this Act by an authority empowered to take disciplinary action against the members of the profession to which he belongs; or

(iii) who being a sales tax practitioner is found guilty of such misconduct by the Commissioner.

(3) No order of disqualification shall be made in respect of any particular person unless he has been given a reasonable opportunity of being heard.

(4) Any person against whom any order of disqualification is made under this section may, within one month of the date of communication of such order, appeal to the Administrator have the order cancelled.

(5) The order of the Commissioner shall not take effect until one month of the making thereof or when an appeal is preferred, until the appeal is decided.

(6) The Commissioner may at any time *suo motu* or on an application made to him in this behalf, revoke any order made against any person under sub-section (2) and thereupon such person shall cease to be disqualified.

**61. Change of an incumbent of an offence.**—Whenever in respect of any proceeding under this Act the Commissioner or any person appointed under sub-section (2) of section 9 to assist him, ceases to exercise jurisdiction and is succeeded by another who has and exercises jurisdiction, the person so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor:

Provided that the dealer concerned may demand that before the proceeding is so continued, the previous proceeding or any part thereof be reopened or that before any order of assessment is passed against him, he be re-heard.

**62. Extension of period of limitation in certain cases.**—

(1) An appellate authority may admit an appeal under section 43 after the period of limitation laid down in that section, if the appellant satisfies the appellate authority, that he had sufficient cause for not preferring the appeal within such period.

(2) In computing the period laid down under sections 43, 45, 46 and 47, the provisions of sections 4 and 12 of the Limitation Act, 1963 (36 of 1963) shall, so far as may be, apply.

(3) In computing the period of limitation prescribed by or under any provision of this Act, or the rules made thereunder, other than section 43, 45, 46 or 47, any period during which any proceeding is stayed by an order or injunction of any court shall be excluded.

**63. Returns, etc., to be confidential.**—(1) All particulars contained in any statement made, return furnished or accounts or documents produced in accordance with this Act, or in any record of evidence given in the course of any proceedings under this Act, other than proceedings before a criminal court, shall, save as provided in sub-section (3), be treated as confidential, and notwithstanding anything contained in the Indian Evidence Act, 1872 (1 of 1872), no court shall, save as aforesaid, be entitled to require any servant of the Government to produce before it any such statement, return, account, document or record or any part thereof, or to give evidence before it in respect thereof.

(2) If, save as provided in sub-section (3), any servant of the Government discloses any of the particulars referred to in sub-section (1), he shall be punishable with imprisonment which may extend to six months and shall also be liable to fine.

(3) Nothing in this section shall apply to the disclosure—

(a) of any of the particulars referred to in sub-section

(1) for the purposes of investigation or prosecution under this Act or the Indian Penal Code (45 of 1860) or any other enactment for the time being in force; or

(b) of such facts to an officer of the Central Government or any State Government as may be necessary for verification of such facts or for the purposes of enabling that Government to levy or realise any tax imposed by it; or

(c) of any such particulars where such disclosure is occasioned by the lawful employment under this Act of any process for the service of any notice or the recovery of any demand; or

(d) of any such particulars to a civil court in any suit or proceeding to which the Government or any sales tax authority is a party and which relates to any matter arising out of any proceeding under this Act or under any other law for the time being in force authorizing any sales tax authority to exercise any powers thereunder; or

(e) of any such particulars by any public servant where the disclosure is occasioned by the lawful exercise by him of his powers under the Indian Stamp Act, 1899 (2 of 1899) to impound an insufficiently stamped document; or

(f) of any such particulars to the Reserve Bank of India as are required by that Bank to enable it to compile financial statistics of international investment and balance of payment; or

(g) of any such particulars to any officer appointed by the Comptroller and Auditor-General of India for purpose of audit of tax receipts or refunds; or

(h) of any such particulars relevant to any inquiry into a charge of misconduct in connection with income-tax proceedings against a legal practitioner or chartered accountant, to the authority empowered to take disciplinary action against members of the profession to which he belongs; or

(i) of such particulars to the officers of the Central Government or any State Government for such other purposes, as the Administrator may by general or special order direct.

**64. Setting up of check-posts and barriers.**—(1) The Administrator may, by notification in the Official Gazette, set up check-posts or barriers, or both, at any place in Delhi with a view to preventing evasion of tax and other dues payable under this act.

(2) The owner or person in charge of goods vehicle shall carry with him a goods vehicle record, a trip sheet or a log book, as the case may be, and a bill of sale or a delivery note containing such particulars as may be prescribed in respect of the goods carried in the goods vehicle and produce the same before any officer in charge of a check-post or barrier or any other officer as may be empowered by the Administrator in this behalf.

(3) The owner or person in charge of a goods vehicle entering or leaving Delhi shall also file a declaration containing such particulars in the prescribed form obtainable from the prescribed authority and in such manner as may be prescribed, before the officer in charge of a check-post or barrier or before the other officer empowered as aforesaid:

Provided that where the owner or person in charge of a goods vehicle after filing a declaration at the time of entering Delhi that the goods are meant to be carried to a place outside Delhi, fails, without reasonable cause, to carry such goods outside Delhi within the prescribed



period, he shall, in addition to the payment of tax, if any, be liable to a penalty not exceeding two and a half times the tax that would have been payable had the goods been sold inside Delhi or one thousand rupees, whichever is more.

(4) At every check-post or barrier, or at any other place when so required by an officer empowered by the Administrator in this behalf, the driver or any other person in charge of a goods vehicle shall stop the vehicle and keep it stationary so long as may be required by the officer in charge of the check-post or barrier or the officer empowered as aforesaid to search the goods vehicle or part thereof, examine the contents therein and inspect all records relating to the goods carried, which are in the possession of such driver or other person in charge, who shall, if so required, give his name and address and the name and address of the owner of the vehicle as well as those of the consignor and consignee of the goods.

(5) If on an examination of the contents in a goods vehicle or the inspection of records relating to the goods carried, any officer empowered by the Administrator in this behalf has reason to believe that the owner or person in charge of such goods vehicle is attempting to evade payment of the tax due under this Act, he may, for reasons, to be recorded in writing and after hearing the owner or person in charge of the goods vehicle, detain the goods and the goods so detained shall not be allowed to be transported unless the owner, or his agent or the person in charge of the goods vehicle furnishes to the satisfaction of such officer security in such form and in such manner as may be prescribed for an amount not exceeding one thousand rupees or the amount of tax payable if such goods were sold in Delhi, whichever is more.

(6) Where the security required to be furnished under sub-section (5) is not furnished within the prescribed period such goods shall be disposed of in such manner and subject to such conditions as may be prescribed.

*Explanation.*—For the purposes of this section, “goods vehicle” shall include a motor vehicle, vessel, boat, animal and any other form of conveyance.

65. *Publication of names, etc., of dealers whose certificates of registration are cancelled.*—The Commissioner shall, at intervals not exceeding three months, publish in the Official Gazette such particulars as may be prescribed of dealers whose certificates of registration are cancelled under the provisions of this Act.

66. *Exemptions.*—(1) If the Administrator is of opinion, that it is necessary or expedient in the public interest so to do, he may, with the previous approval of the Central Government, exempt, by notification in the Official Gazette, and subject to such conditions, if any, as he may impose, any specified class of sales by any specified class of dealers from payment of the whole or any part of the tax payable under this Act.

(2) If in respect of any sales which are exempt from payment of tax under sub-section (1), a breach of any of the conditions subject to which such exemption was granted, is committed, the dealer responsible for such breach shall be liable to pay tax in respect of all such sales as if no such exemption had been granted.

67. *Bar of suits in civil courts.*—No suit shall be brought in any civil court to set aside or modify any assessment made or any order passed under this Act or the rules made thereunder and no prosecution, suit or other proceeding shall lie against the Government or any

officer of the Government for anything in good faith done or intended to be done under this Act or the rules made thereunder.

68. *Transfers during pendency of proceedings void.*—Where, during the pendency, of any proceeding under this Act, any person creates a charge on or parts with the possession by way of sale, mortgage, gift or exchange or any other mode of transfer whatsoever, of any of his assets in favour of any other person, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by such person as a result of the completion of the said proceedings.

69. *Chapter XXXVI of the Code of Criminal Procedure, 1973, not to apply to certain offences.*—Nothing in Chapter XXXVI of the Code of Criminal Procedure, 1973 (2 of 1974) shall apply to—

- (i) any offence punishable under this Act; or
- (ii) any other offence which under the provisions of that Code, may be tried along with such offence,

and every offence referred to in clause (i) or clause (ii) may be taken cognizance of by the Court having jurisdiction under this Act as if the provisions of that Chapter were not enacted.

70. *Application of the provisions of the Delhi Land Reforms Act, 1954 for purposes of recovery of sales tax recoverable as arrears of land revenue.*—For the purposes of recovery of any amount recoverable as arrear of land revenue under this Act, the provisions of the Delhi Land Reforms Act, 1954 (Delhi Act 8 of 1954), as to recovery of arrears of land revenue shall, notwithstanding anything contained in that Act or in any other enactment, be deemed to be in force throughout Delhi and the provisions of the Revenue Recovery Act, 1890 (1 of 1890) shall have effect accordingly.

71. *Power to make rules.*—(1) The Administrator may make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the further period after the date of expiry of three consecutive years referred to in sub-section (3) of section 3 for which liability to pay tax of a dealer shall continue;
- (b) the particulars to be contained in a declaration under sub-clause (v) of clause (a) of sub-section (2) of section 4, or under section 5, as the case may be, the form of such declaration, the authority from whom such forms shall be obtainable and the manner in which and the time within which such declaration is to be furnished;
- (c) the period of turnover, the manner in which the turnover in relation to sale of any goods under this Act shall be determined and the sales turnover which may be deducted under sub-clause (vi) of clause (a) of sub-section (2) of section 4;
- (d) the restrictions and conditions subject to which the Commissioner may delegate his powers under section 10;
- (e) the authority to whom applications for registration under sections 14, 15, 16 and 17 may be made and the form of such applications and the fees payable in respect thereof;
- (f) the procedure for and other matters incidental to registration of dealers, the granting of certificates of registration, the period within which such

certificates shall be granted and the forms of such certificates;

- (h) the intervals at which, and the manner in which, the tax under this Act shall be payable under section 21;
  - (i) the returns to be furnished under sub-section (2) of section 21 and dates by which, and the authority to whom, such returns shall be furnished;
  - (j) the procedure to be followed for assessment under section 23;
  - (k) the circumstances in which, and the conditions subject to which, a dealer may be permitted to pay a lump sum by way of composition under section 29 and the manner of determining such sum;
  - (l) the form in which claims for refund or set-off may be preferred, the manner in which such claims for refund shall be verified and the refunds or set-off under this Act shall be allowed;
  - (m) the authority to whom information shall be furnished under section 40;
  - (n) the conditions under which the production of accounts or documents or the furnishing of information may be required under sub-section (1) of section 41;
  - (o) the form and manner in which, and the authority to whom, appeals against assessment may be filed under section 43, the manner in which such appeals shall be verified and the fees payable in respect thereof and the procedure, to be followed by such authority;
  - (p) the form and manner in which applications for revision under section 47 or for review under sub-section (5) of section 48 may be filed and the fee payable in respect thereof;
  - (q) the conditions subject to which the Commissioner may authorise the persons appointed under sub-section (2) of section 9 to assist him to investigate offences under sub-section (1) of section 53;
  - (r) the conditions under which offences may be compounded under section 54;
  - (s) the manner in which, and the time within which, applications shall be made (including fees payable in respect thereof), information furnished, securities given and notices served under this Act;
  - (t) any other matter which is required to be, or may be, prescribed.
- (3) Any rules made under this Act may provide that a contravention thereof shall be punishable with fine which may extend to five hundred rupees, and in the case of a continuing contravention, with an additional fines which may extend to twenty-five rupees for every day during which such contravention continues after conviction for the first such contravention.

**72. Rules to be laid before Parliament.**—Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**73. Repeal and savings.**—(1) The Bengal Finance (Sales Tax) Act, 1941 (Bengal Act VI of 1941) as in force in Delhi (hereinafter referred to as the said Act), is hereby repealed:

Provided that such repeal shall not affect the previous operation of the said Act or any right, title, obligation or liability already acquired, accrued or incurred thereunder and subject thereto, anything done or any action taken including any appointment, notification, notice, order, rule, form or certificate in the exercise of any power conferred by or under the said Act shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act, as if this Act were in force on the date on which such thing was done or action was taken, and all arrears of tax and other amounts due at the commencement of this Act may be recovered as if they had accrued under this Act.

(2) Any application for revision pending immediately before the date on which the Appellate Tribunal is constituted under section 13 (hereafter in this section referred to as the notified date), before the Commissioner under the Bengal Finance (Sales Tax) Act, 1941 (Bengal Act VI of 1941) as in force in the union territory of Delhi shall on such date stand transferred to, and be disposed of by the Tribunal:

Provided that no application for revision shall be transferred to the Appellate Tribunal if the petitioner making the application for revision waives his right of appeal to the Tribunal within fifteen days after the notified date, in which case the application for revision shall be disposed of by the Commissioner as if it were an application for revision made under section 47.

(3) Any application for revision, pending immediately before the notified date, before the Commissioner and transferred to the Appellate Tribunal under sub-section (2) shall be disposed of by the Appellate Tribunal as if it were an appeal made to the Tribunal under and in accordance with the provisions of section 43 of this Act.

(4) Where an appeal against an order passed by an officer under this Act lies to the Appellate Tribunal after the notified date, and the period of limitation specified for filing such appeal under this Act has not expired, then, such appeal shall lie to the Tribunal within thirty days of the notified date or within the expiry of the period of limitation specified for filing such appeal, whichever is later.

**74. Removal of difficulties.**—(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by general or special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for the removal of the difficulty:

Provided that no such order shall be made after the expiration of one year from the commencement of this Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the order or both Houses agree that the order should not be made, the order shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that order.



75. *Transitional provisions.*—Where a dealer liable to pay tax under the Bengal Finance (Sales Tax) Act, 1941 (Bengal Act VI of 1941) as in force in Delhi immediately before the commencement of this Act is not liable to pay tax under the provisions of this Act, he shall, notwithstanding the repeal of the first mentioned Act, continue to be liable to pay tax on the sales made by him after such commencement of all goods—

- (i) purchased by him before such commencement,
- (ii) manufactured by him before or after such commencement out of raw materials purchased before such commencement.

### THE FIRST SCHEDULE

[See section 4(1) (a)]

1. Motor vehicles, including chassis of motor vehicles, motor tyres and tubes, accessories, component parts and spare parts of motor vehicles and motor bodies.
2. Motor cycle and motor and cycle combinations, motor scooters, motorettes and tyres and tubes, and accessories, component parts and spare parts of motor cycles, motor scooters and motorettes.
3. Refrigerators, air-conditioning and other cooling appliances and apparatus including room coolers and water coolers and component parts, spare parts and accessories thereof.
4. Wireless reception instruments and apparatus, radios and radio-gramophones, television sets, accumulators, amplifiers and loudspeakers and spare parts, component parts and accessories thereof, and electrical valves.
5. Cinematographic equipment including cameras, projectors and sound recording and reproducing equipment, and spare parts, component parts and accessories required for use therewith, and lenses, films and cinema carbons.
6. Photographic and other cameras and enlargers, lenses, films and plates paper and other component parts, spare parts and accessories required for use therewith including photographic chemicals and photographs but excluding X-ray apparatus and films, plates, photographic chemicals and other equipment required for use with the X-ray apparatus and component parts, spare parts and accessories thereof.
7. All clocks, time pieces, watches, electrical time switches and mechanical timers and component parts, spare parts and accessories thereof.
8. All arms including rifles, revolvers, pistols and ammunition for the same, and component parts, spare parts and accessories thereof.
9. Cigarette cases and lighters.
10. Dictaphone, tape-recorders and other similar apparatus for recording sound and component parts, spare parts and accessories thereof.
11. Sound transmitting equipment including telephones and loud-speakers and component parts, spare parts and accessories thereof but excluding sound amplifying apparatus carried on the person and adapted for use as a hearing aid.
12. Typewriters, tabulating, calculating, cash registering, indexing, card punching, franking and addressing machines, teleprinters and duplicating machines and component parts, spare parts and accessories thereof.
13. Binoculars, telescopes and opera glasses and component parts, spare parts and accessories thereof.
14. Gramophones, record players, record changers

and component parts, spare parts and accessories thereof and records and needles.

15. All electronic and electrical goods other than torches, torch cells and filament lighting bulbs.

16. Table cutlery including knives and forks, but not including spoons.

17. All types of sanitary goods and fittings.

18. (i) All goods made of glass but not including plain glass panes, optical lenses, hurricane lantern chimneys, phials, clinical syringes, thermometers, bangles and scientific apparatus and instruments made of glass.

(ii) Glazed earthenware.

(iii) Chinaware, including crockery.

19. Vacuum flasks of all kinds (including thermoses, thermic jugs, ice buckets or boxes, urns and other domestic receptacles to keep food or beverages hot or cold) and refills thereof.

20. Liquor (foreign liquor and Indian-made foreign liquor).

21. Picnic set sold as a single unit.

22. Iron and steel safes and almirahs.

23. Motor spirit, high speed diesel oil, aviation gasoline, aviation turbine fuel and all other varieties of fuel for motor vehicles and aircrafts.

24. Cosmetics, perfumery and toilet goods including shampoos but not including soap, tooth brush, tooth paste, tooth powder and kumkum.

25. Leather goods excepting footwear, belts and sports articles made of leather.

26. Furniture including iron and steel furniture.

27. Sheets, cushions, pillows, mattresses and other articles made from foam rubber or plastic foam or other synthetic foam.

28. Furs and articles of personal or domestic use made therefrom.

29. Articles and wares made of stainless steel but excluding safety razor blades and surgical instruments or parts of industrial machinery and plant.

30. Perambulators.

31. Plastic, celluloid bakelite goods and goods made of similar other substances but not including such goods of value not exceeding thirty rupees per piece.

32. Fireworks including coloured matches.

33. Lifts whether operated by electricity or hydraulic power.

34. All types of glazed and vitrum tiles, mosaic tiles, laminated sheets like Sun mica, Formica, etc.

### THE SECOND SCHEDULE

[See section 4(1)(b)]

1. Coal including coke in all its forms.
2. Cotton as defined in section 14 of the Central Sales Tax Act, 1956 (74 of 1956).
3. Iron and steel as defined in section 14 of the Central Sales Tax Act, 1956 (74 of 1956).
4. Jute as defined in section 14 of the Central Sales Tax Act, 1956 (74 of 1956).
5. Oil seeds as defined in section 14 of the Central Sales Tax Act, 1956 (74 of 1956).
6. Hides and skins, whether in a raw or dressed state.
7. Cotton yarn as defined in section 14 of the Central Sales Tax Act, 1956 (74 of 1956), and cotton thread.

# THE THIRD SCHEDULE

(See section 7)

1. All cereals and pulses including all forms of rice and their brans and cooked dal.
  2. Flour including atta, maida, besan and suji.
  3. Chapaties, paranthas, stuffed paranthas, puries, stuffed puries, kulchas, nans and bhaturas and bread (double roti).
  4. Meat and fish other than canned, preserved, processed, dried, dehydrated or cooked.
  5. Fresh eggs.
  6. Vegetables, green or dried (except when sold in sealed containers) and vegetables seeds.
  7. Fruits other than dry fruits or canned, preserved, dried or dehydrated fruits.
  8. Sugar as defined in the Central Excises and Salt Act, 1944 (1 of 1944).
  9. Salt.
  10. Fresh milk (whole or separated) including boiled and sugared milk.
  11. Edible oils produced in indigenous *kohlu* or *ghani* (without employing electricity or any other power at any stage) when sold by the person owning such indigenous *kohlu* or *ghani* and dealing exclusively in the production of edible oils by such indigenous *kohlu* and *ghani*.
  12. Dahi and lassi.
  13. All varieties of cotton fabrics, rayon or artificial silk fabrics and woollen fabrics.
- Explanation.*—The expression “cotton fabrics”, “rayon or artificial silk fabrics” and “woollen fabrics” shall have the same meanings as are, respectively assigned to them in the Central Excises and Salt Act, 1944 (1 of 1944).
14. Books and periodicals, maps, educational charts, instruments boxes used by students and educational globes and instruments, such as instruments used in mechanical drawing and biology, used by students.
  15. Fuel wood and charcoal.
  16. School exercise and drawing books.
  17. Agricultural implements including chaffs cutters and persian wheels or parts thereof and electric motors including monoblock pump sets of 3 to 7½ horse power.
  18. Cattle feeds, including fodder and poultry feeds.
  19. Electric energy.
  20. Fertilizers.
  21. Water but not aerated water or mineral water or water sold in bottles or sealed containers.
  22. Tobacco as defined under the Central Excises and Salt Act, 1944 (1 of 1944).
  23. (i) Country made shoes (Juties). (a) without the use of power, and
  - (ii) Cane and bamboo handicrafts. (b) at place other than a factory as defined in the Factories Act, 1948 (63 of 1948) and sold either by the maker himself or by any member of his
  - (iii) Earthenwares made by Kumhars.

family or by a co-operative society consisting wholly of the makers of such articles.

24. Charkha, takli and charkha accessories.
24. Slate, slate pencils, takhties, black ink used for takhties, writing chalks, crayons (excluding colour pencils), foot-rules of the types used in schools and *kalam*s (pens used for takhties).
26. Betel leaves including prepared pans.
27. Pesticides for plant protection.
28. Plant protection machines.
29. Ready-made garments of khadi made out of cloth certified as such under the Khaddar (Protection of Name) Act, 1950 (78 of 1950).
30. Condoms.
31. Blood, for transfusion that is to say fresh human blood or plasma, liquid or dried.
32. Handspun yarn.
33. *Achar* and *muraba* except when sold in sealed containers.
34. Scientific goods including scientific glass goods, geometrical and drawing goods used in Schools and Colleges for teaching and for use by students.
35. Livestock including poultry.
36. Cotton paddings.

Assented to on 7th August, 1975.

## THE TELEGRAPH WIRES (UNLAWFUL POSSESSION) AMENDMENT ACT, 1975

(Act No. 44 of 1975)

AN  
ACT

further to amend the Telegraph Wires (Unlawful Possession) Act, 1950.

BE it enacted by Parliament in the Twenty-sixth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Telegraph Wires Unlawful Possession) Amendment Act, 1975.

2. *Amendment of section 2.*—In section 2 of the Telegraph Wires (Unlawful Possession) Act, 1950 (74 of 1950) (hereinafter referred to as the principal Act), for clause (b), the following clause shall be substituted, namely:—

“(b) “telegraph wire” means any copper wire the diameter of which, in millimetres, is—

- (i) not less than 2.43 and not more than 2.53; or
- (ii) not less than 2.77 and not more than 2.87; or
- (iii) not less than 3.42 and not more than 3.52.”

3. *Amendment of section 5.*—In section 5 of the principal Act,—

(i) for clause (a), the following clause shall be substituted, namely:—

“(a) for the first offence, with imprisonment for a term which may extend to five years, or with fine, or with both, and, in the absence of special and adequate reasons to be recorded in the judgment of the Court, the term of such imprisonment shall not be less than one year and such fine shall not be less than one thousand rupees.”

(ii) in clause (b), for the words “to be mentioned in the judgment of the court, such imprisonment”, the words “to be recorded in the judgment of the Court, the term of such imprisonment” shall be substituted.

4. *Insertion of new sections 6A and 6B.*—After section 6 of the principal Act, the following sections shall be inserted, namely:—

“6A. *Powers of search and seizure.*—(1) A police officer not below the rank of a sub-inspector may seize, or search any place and seize,—

(i) any telegraph wire;

(ii) any conveyance or animal used for the transport of such telegraph wire,

if a reasonable suspicion exists that any provision of this Act has been, or is being, or is about to be, contravened in respect of such telegraph wire.

(2) The provisions of the Code of Criminal Procedure, 1973, (2 of 1974), relating to searches and seizures shall, so far as may be, apply to searches and seizures made under this section.

6B. *Confiscation of telegraph wires conveyances, etc.*—Where any person has been convicted for the contravention of any of the provisions of this Act, the telegraph wires in relation to which the contravention has been made, and any conveyance or animal used for the transport of such telegraph wires, shall be liable to confiscation by the Court unless the owner of the conveyance or animal proves that it was so used without the knowledge or connivance of the owner himself, his agent, if any, and the person in charge of the conveyance or animal and that each of them had taken all reasonable precautions against such use:

Provided that where any such conveyance or animal is used for the transport of goods or passengers for hire, the owner of the conveyance or animal shall be given an option to pay in lieu of the confiscation of the conveyance or animals, a fine, not exceeding the market price of the conveyance or animal on the date of seizure thereof or the value of the telegraph wires in relation to which the contravention has been made, whichever is less:

Provided further that any telegraph wires, so seized and confiscated shall be handed over by the Court to such authority as may be specified by the Central Government.

5. *Amendment of section 7.*—In section 7 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) No Court shall take cognizance of any offence punishable under this Act except on a report in writing of the facts constituting such offence made by a person who is a public servant within the meaning of section 21 of the Indian Penal Code (45 of 1860).”

6. *Amendment of section 8.*—In sub-section (3) of section 8 of the principal Act, for the words “or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following” the words “or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive session aforesaid” shall be substituted.

Assented to on 7th August, 1975.

THE AGRICULTURAL REFINANCE CORPORATION (AMENDMENT) ACT, 1975  
(ACT No. 45 OF 1975)

AN  
ACT

further to amend the Agricultural Refinance Corporation Act, 1963.

BE it enacted by Parliament in the Twenty-sixth Year of

the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Agricultural Refinance Corporation (Amendment) Act, 1975.

(2) It shall come into force on such date as the Central Government may, by notification in the official Gazette, appoint.

2. *Amendment of section 1.*—(1) In section 1 of the Agricultural Refinance Corporation Act, 1963 (10 of 1963), (hereinafter referred to as the principal Act), in sub-section (1), after the word “Refinance”, the words “and Development” shall be inserted.

(2) Any reference to the Agricultural Refinance Corporation Act, 1963 (10 of 1963), in any other law for the time being in force, or in any instrument or other document, shall be construed as a reference to the Agricultural Refinance and Development Corporation Act, 1963.

3. *Amendment of section 2.*—In section 2 of the principal Act,—

(i) for clause (c), the following clause shall be substituted, namely:—

“(c) “central land development bank” means the principal land development bank in a State (by whatever name called), which is registered, or deemed to be registered under the Co-operative Societies Act, 1912 (2 of 1912) or any other law for the time being in force in any State relating to co-operative societies and the primary object of which is the providing of long-term finance for agricultural development:

Provided that, in addition to such principal land development bank in a State, or where there is no such bank in a State, the State Government may, with the previous approval of the Reserve Bank, declare any co-operative society carrying on business in that State and authorised by the bye-laws of such co-operative society to provide long-term finance for agricultural development, to be a central land development bank within the meaning of this Act;”

(ii) in clause (e) after the word “Refinance”, the words “and Development” shall be inserted;

(iii) in clause (f),—

(a) in sub clause (i),—

(1) for the words “central land mortgage bank”, the words “central land development bank” shall be substituted,

(2) the word “and”, occurring at the end, shall be omitted;

(b) in sub-clause (ii), for the words “central land mortgage bank”, the words “central land development bank” shall be substituted;

(c) after sub-clause (iii), the following sub-clause shall be inserted, namely:—

“(iv) such other institution as may, on the recommendation of the Reserve Bank, be approved by the Central Government in this behalf;”

4. *Amendment of heading to Chapter II.*—In Chapter II of the principal Act, in the heading after the word “REFINANCE”, the words “AND DEVELOPMENT” shall be inserted.

5. *Insertion of new section 3A.*—After section 3 of the principal Act, the following section shall be inserted, namely:—

**"3A. Change of name of 'Agricultural Refinance Corporation'.—**(1) On the commencement of the Agricultural Refinance Corporation (Amendment) Act, 1975, the Corporation established under section 3 and known as the Agricultural Refinance Corporation shall be renamed as the Agricultural Refinance and Development Corporation.

(2) The change of name of Agricultural Refinance Corporation by sub-section (1) shall not—

- (a) affect any right or obligation of that Corporation subsisting immediately before the commencement of the Agricultural Refinance Corporation (Amendment) Act, 1975;
- (b) render defective any suit or other legal proceeding pending, immediately before such commencement, by or against that Corporation in its former name; and
- (c) affect the institution, continuation or commencement of any suit or other legal proceeding which could have been instituted, continued, or commenced, by or against that Corporation in its former name before such commencement."

**6. Amendment of section 4.**—In section 4 of the principal Act, for the words "in other places in India", the words "anywhere in India" shall be substituted.

**7. Amendment of section 5.**—In section 5 of the principal Act,—

- (i) in sub-section (2), in clause (b), for the words "central land mortgage banks", the words "central land development banks" shall be substituted;
- (ii) in sub-section (5), after the words "the remaining shares", the words, brackets and figure "referred to in sub-section (1)" shall be inserted;
- (iii) after sub-section (5), the following sub-sections shall be inserted, namely:—

**"(5A)** Notwithstanding anything contained in sub-section (1), on the commencement of the Agricultural Refinance Corporation (Amendment) Act, 1975, the Reserve Bank may, with the previous approval of the Central Government, increase the authorised capital of the Corporation up to one hundred crores of rupees, such further capital also being divided into fully paid-up shares of ten thousand rupees each.

**(5AA)** Notwithstanding anything contained in sub-section (5), out of the further capital issued pursuant to the increase of the authorised capital under sub-section (5A), the Reserve Bank shall, and the institutions mentioned in clauses (b) and (c) of sub-section (2) may, subscribe for such shares in such manner and such proportion, as may be prescribed.

**(5AB)** The Reserve Bank shall not, at any time, hold less than fifty per cent of the further capital of the Corporation which is issued pursuant to the increase of the authorised capital under sub-section (5A).

**(5AC)** The allotment of shares, issued pursuant to the increase of the authorised capital under sub-section (5A), shall be made by the Board in accordance with the regulations made in this behalf and if any such shares remain unallotted, they shall be subscribed for the Reserve Bank:

Provided that the Reserve Bank may dispose of such shares to any institution mentioned in clause (b) or clause (c) of sub-section (2):

Provided further that no such disposal shall be made, if, as a result of such disposal, the shares held by the Reserve Bank in the further capital of the Corporation, issued pursuant to the increase of the authorised capital under sub-section (5A), will be fall below fifty per cent of such further capital."

**8. Amendment of section 7.**—In section 7 of the principal Act, for the words "Banking Companies Act," the words "Banking Regulation Act" shall be substituted.

**9. Amendment of section 10.**—In section 10 of the principal Act, in clause (d), for the words "central land mortgage banks", the words "central land development banks" shall be substituted.

**10. Amendment of section 17.**—In section 17 of the principal Act, in sub-section (3), after the words "as it may decide", the words "and every committee so constituted shall discharge such functions as may be prescribed or may be delegated to it by the Board" shall be inserted.

**11. Amendment of section 20.**—In section 20 of the principal Act, in sub-section (1),—

- (a) in clause (c), the word "and", occurring at the end, shall be omitted;
- (b) in clause (d), for the words "a central land mortgage bank", the words "a central land development bank" shall be substituted; and the word "and" shall be inserted at the end;
- (c) after clause (d), the following clause shall be inserted, namely:—

**"(e)** receive gifts, grants, donations or benefactions from Government or any other source and such gifts, grants, donations or benefactions shall not be treated as the income, profits and gains of the Corporation."

**12. Amendment of section 22.**—In section 22 of the principal Act,—

(a) in sub-section (3),—

- (i) in clause (b), after the words, brackets and figures "in sub-clause (ii)", the words, brackets and figures, "or sub-clause (iv)," shall be inserted;
- (ii) for clause (c) and the proviso thereto, the following clause shall be substituted, namely:—

**"(c)** the purchasing of, or subscribing to, the bonds or debentures of any eligible institution, repayable within a period not exceeding twenty-five years from the dates on which they are issued and the selling of such bonds or debentures;"

(iii) in clause (d),—

- (1) the words "from outside India" shall be omitted;
- (2) in sub-clause (i), after the words, brackets and figures "in sub-clause (ii)" specific words, brackets and figures "or hereof, clause (iv)," shall be inserted; amendment

- (iv) in clause (e), for the words "or debentures subscribed for or to be subscribed for, by such Government; and", the words "or bonds or debentures purchased or subscribed for, or to be purchased or subscribed for, by such Government;" shall be substituted;

- (v) after clause (e), the following clause shall be inserted, namely:—

"(ea) undertaking researches, surveys and techno-economic studies on its own, or through an agency approved by the Corporation in this behalf, where, in the opinion of the Corporation, doing so may facilitate the exercise by the Corporation of its powers and functions or the discharge of its duties; and";

- (b) in sub-section (4), in the first proviso, in clause (ii), after the words "guarantee is necessary", the words "in respect of an eligible institution, or any class of eligible institutions or having regard to the nature and scope of the scheme or schemes for which such accommodation is granted by the Corporation" shall be inserted;

- (c) in sub-section (5), the words "or for the purpose of providing working capital" shall be omitted.

13. *Omission of section 23.*—Section 23 of the principal Act shall be omitted.

14. *Amendment of section 30.*—In section 30 of the principal Act,—

- (i) in sub-section (1), for the words "by an auditor duly qualified to act as auditor", the words "by one or more auditors duly qualified to act as auditor or auditors of companies" shall be substituted;

- (ii) in sub-section (2), in sub-section (3) and in sub-section (4), for the words "The auditor", the words "Every auditor" shall be substituted;

- (iii) in sub-section (5),—

- (a) for the words "The auditor", the words "The auditor or auditors" shall be substituted;

- (b) for the words "accounts examined by him and in every such report he shall state whether in his opinion", the words "accounts examined by him or them, as the case may be, and in every such report he or they shall state whether in his or their opinion" shall be substituted;

- (c) for the words "in case he had called for any explanation", the words "in case he or they had called for any explanation" shall be substituted.

15. *Amendment of section 46.*—In section 46 of the principal Act,—

- (i) in sub-section (2), after clause (a), the following clause shall be inserted, namely:—

"(aa) the manner in which and the proportion in which the shares of the Corporation shall, or may, be subscribed for after the

authorised capital of the Corporation has been increased beyond twenty-five crores of rupees;"

- (ii) for sub-section (5), the following sub-section shall be substituted, namely:—

"(5) Every regulation made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation."

*Assented to on 7th August, 1975.*

## THE PROVIDENT FUNDS (AMENDMENT) ACT, 1975

(ACT No. 46 OF 1975)

AN

ACT

*further to amend the Provident Funds Act, 1925.*

Be it enacted by Parliament in the Twenty-sixth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Provident Funds (Amendment) Act, 1975.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Insertion of new section 6A.*—After section 6 of the Provident Funds Act, 1925 (19 of 1925), (hereinafter referred to as the principal Act), the following section shall be inserted, namely:—

"6A. *Withholding or recovery of Government contributions in case of Central Government officers taking up, without prior permission, commercial employment within two years of their retirement.*—(1) In this section, unless the context otherwise requires,—

- (a) "Central Government Officer" means a subscriber to, or depositor in, a contributory provident fund constituted by the Central Government, who, immediately before his retirement, is a member of a Central Service Class I, but does not include an officer appointed under a contract of service for a specified term;

- (b) "commercial employment" means employment in any capacity (including that of an agent) under any company, co-operative



society, firm or individual engaged in trading, commercial, industrial, financial or professional business and includes also—

- (i) a directorship of a company;
- (ii) the holding of any office, whether elective or otherwise, such as that of president, chairman, manager, secretary, treasurer, by whatever name called in a co-operative society; and
- (iii) the setting up of practice, either independently or as partner of a firm, as adviser or consultant in matters in respect of which the Central Government officer,—

(A) has no professional qualifications and the matters in respect of which the practice is to be set up or is carried on are relatable to his official knowledge or experience, or

(B) has professional qualification, but the matters in respect of which such practice is to be set up are such as are likely to give his clients an unfair advantage by reason of the posts held by him under the Central Government, or

(C) has to undertake work involving liaison or contact with the offices or officers of Central Government,

but does not include employment in or under a corporation or company wholly or substantially owned or controlled by Government or employment in or under a body controlled or financed wholly or substantially by Government;

(c) "Government contributions" means contributions made after the commencement of the Provident Funds (Amendment) Act, 1975, in respect of any period after such commencement, by the Central Government or by a State Government or by a local authority within the meaning of the Local Authorities Loans Act, 1914 (9 of 1914);

(d) "prescribed" means prescribed by rules made by the Central Government by notification in the Official Gazette.

(2) No Central Government officer shall have any right to the Government contributions made to his credit in a contributory provident fund in any case where he takes up commercial employment at any time before the expiry of two years from the date of his retirement without the prior permission of the Central Government.

*Explanation 1.*—For the purposes of this sub-section and sub-section (7), "date of retirement" in relation to a Central Government officer re-employed after retirement without any break either in the same or any other Class I post under the Central Government or any other equivalent post under a State Government, shall mean the date on which such Central Government officer finally ceases to be re-employed in Government service.

*Explanation 2.*—A Central Government officer permitted by the Central Government to take up a particular Commercial employment during his leave preparatory to retirement shall be deemed, for the purposes of this sub-section, to have obtained prior permission of the Central Government for his continuance in such employment after retirement.

(3) Subject to the provisions of sub-section (4), the Central Government may, by order in writing, on an application made in the prescribed form by a Central Government officer, grant, subject to such conditions, if any, as it may deem necessary, permission, or refuse, for reasons to be recorded in the order, permission, to such officer to take up the commercial employment specified in the application.

(4) In granting or refusing permission under this section to a Central Government officer for taking up any commercial employment, the Central Government shall have regard to the following factors, namely:—

- (a) the nature of the employment proposed to be taken up and the antecedents of the employer;
- (b) whether his duties in the employment which he proposes to take up might be such as to bring him into conflict with Government;
- (c) whether the officer while in service had any such dealing with the employer under whom he proposes to seek employment as might afford a reasonable basis for the suspicion that such officer had shown favours to such employer;
- (d) any other relevant factors which may be prescribed.

(5) Where within a period of sixty days of the date of receipt of an application under sub-section (3), the Central Government does not refuse to grant the permission applied for or does not communicate the refusal to the applicant, the Central Government shall be deemed to have granted the permission applied for.

(6) Where the Central Government grants the permission applied for subject to any conditions or refuses such permission, the applicant may, within thirty days of the receipt of the order of the Central Government to that effect, make a representation against any such condition or refusal and the Central Government may make such orders thereon as it deems fit:

Provided that no order other than an order cancelling such condition or granting such permission without any conditions shall be made under this sub-section without giving the person making the representation an opportunity to show cause against the order proposed to be made.

(7) If any Central Government officer takes up any commercial employment at any time before the expiry of two years from the date of his retirement without the prior permission of the Central Government or commits a breach of any condition subject to which permission to take up any commercial employment has been granted to him under this section, it shall be competent for the Central Government to declare by order in writing and for reasons to be recorded therein that he shall not be entitled to such part of the Government contributions made in relation to such officer as may be specified in the order and if he has received payment thereof, to direct that he shall refund to the Central Government

an amount equivalent to such part of the Government contributions:

Provided that no such order shall be made without giving the officer concerned an opportunity of showing cause against such declaration or direction:

Provided further that in making any order under this sub-section, the Central Government shall have regard to the following factors, namely:—

- (i) the financial circumstances of the officer concerned;
- (ii) the nature of, and the emoluments from, the commercial employment taken up by the officer concerned;
- (iii) such other relevant factors as may be prescribed.

(8) Any amount required to be refunded by an order under sub-section (7) may, if it is not refunded within the prescribed period, be recovered as arrears of land revenue.

(9) Every order passed by the Central Government under this section shall be communicated to the officer concerned.

(10) The provisions of this section shall have effect notwithstanding anything to the contrary contained in any other provision of this Act or the rules applicable to any contributory provident fund.

(11) Every rule made by the Central Government under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the sessions or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

3. *Amendment of section 8.*—In sub-sections (1) and (2) of section 8 of the principal Act, after the words “provisions of this Act”, the brackets, words, figure and letter “(except section 6A)” shall be inserted.

*Assented to on 12th August, 1975.*

## THE INDIAN COINAGE (AMENDMENT) ACT, 1975

(ACT No. 47 OF 1975)

AN  
ACT

*further to amend the Indian Coinage Act, 1906.*

BE it enacted by Parliament in the Twenty-sixth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Indian Coinage (Amendment) Act, 1975.

2. *Amendment of section 1.*—In section 1 of the Indian Coinage Act, 1906 (3 of 1906), (hereinafter referred to as the principal Act), in sub-section (1), the word “Indian” shall be omitted.

3. *Amendment of section 6.*—In section 6 of the principal Act, for the words “of such denominations not higher than one hundred rupees”, the words “of such denominations not higher than one thousand rupees” shall substituted.

4. *Amendment of section 21.*—In section 21 of the principal Act,—

- (i) in sub-section (1), for the words “The Central Government may make rules”, the words “The Central Government may, by notification in the Official Gazette, make rules” shall be substituted;
- (ii) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.”

## NOTIFICATIONS

*Simla-2, the 20th January, 1975*

No. LLR-E(9)/75.—The Trust Laws (Amendment) Ordinance, 1975 (No. 1 of 1975) promulgated by the President of India and published in the Gazette of India Extraordinary, Part II, Section I, is hereby republished in the Himachal Pradesh Government Rajpatra for the information of general public.

M. C. PADAM,  
*Under Secretary.*  
(Judicial)

## THE TRUST LAWS (AMENDMENT) ORDINANCE, 1975

(No. 1 OF 1975)

Promulgated by the President in the Twenty-fifth Year of the Republic of India.

An Ordinance further to amend the Indian Trust Act, 1882 and the Unit Trust of India Act, 1963.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

Now, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. *Short title and commencement.*—(1) This Ordinance may be called the Trust Laws (Amendment) Ordinance, 1975.



(2) The provisions of section 3 shall come into force on the first day of April, 1975 and the remaining provisions of this Ordinance shall come into force at once.

**Amendment of Act 2 of 1882.**—In section 20 of the Indian Trusts Act, 1882,—

(a) after clause (e), the following clause shall be inserted, namely:—

“(ee) in units issued by the Unit Trust of India under any Unit Scheme made under section 21 of the Unit Trust of India Act, 1963 (52 of 1963); or”;

(b) in clause (f), after the words “expressly authorised by the instrument of trust,” the words “or by the Central Government by notification in the Official Gazette,” shall be inserted.

**3. Amendment of section 32 of Act 52 of 1963.**—In section 32 of the Unit Trust of India Act, 1963 (hereinafter referred to as the Unit Trust Act),—

(i) in sub-section (1),—

(a) after the words “anything contained in”, the words and figures “the Wealth-tax Act, 1957 (27 of 1957),” shall be inserted;

(b) after clause (a), the following clauses shall be inserted, namely:—

“(b) in the case of an assessee being—

(i) an individual, or

(ii) a Hindu undivided family, or

(iii) an association of persons or a body of individuals consisting only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu—

there shall be allowed, in computing the total income of the assessee, for the purposes of the Income-tax Act, 1961(43 of 1961), a further deduction of an amount equal to so much of the income in respect of units received by the assessee during the previous year as has not been allowed by way of deduction under section 80L of the Income-tax Act, 1961, so, however, that the amount to be deducted under this clause shall not exceed two thousand rupees—

**Explanation.**—In this clause, the expressions “assessee”, “previous year” and “total income” shall have the meanings respectively assigned to them in the Income-tax Act, 1961(43 of 1961);

(ba) in the case of an assessee being an individual or a Hindu undivided family, wealth-tax shall not be payable in respect of, and there shall not be included in the net wealth of the assessee computed under the Wealth-tax Act, 1957 (27 of 1957), so much of the assets in the form of units as have not been included in the net wealth of the assessee under section 5 of that Act, so, however, that the value of the assets excluded under this clause shall not exceed twenty-five thousand rupees.

**Explanation.**—In this clause, the expressions “assessee” and “net wealth” shall have the meanings respectively assigned to them in the Wealth-tax Act, 1957 (27 of 1957);”;

(ii) in sub-section (2), in clause (c), for the words “three thousand rupees”, wherever they occur, the words “five thousand rupees” shall be substituted.

**4. Substitution of section 39.**—For section 39 of the Unit Trust Act, the following sections shall be substituted, namely:—

“39. *No trust to be taken notice of.*—Except to the extent provided in and except in accordance with the regulations made under this Act, no notice of a trust, express, implied or constructive, shall be receivable by the Trust.

39A. *Nomination by unit holders and agents.*—Notwithstanding anything contained in any other law for the time being in force,—

(a) where a person has been recognised by the Trust to be a nominee of a unit holder, the amount payable to the unit holder by the Trust in respect of any unit or units shall, subject to any charge or encumbrance thereon, or any right, title, claim or other interest of any other person to or in respect of the said units, vested in and be payable to the nominee;

(b) where any person appointed by the Trust as an agent for soliciting or procuring any business, including the sale of units, has nominated, in writing, any other person, including a social and charitable institution, to receive the commission or other remuneration payable to him after his death, such commission or other remuneration shall be payable to the nominee.

39B. *Protection of certain amounts from attachment.*—Notwithstanding anything contained in any other law for the time being in force, the amount standing to the credit of a contributing institution shall not be liable to attachment under any decree or order of any court in respect of any debt or liability incurred by the contributing institution.”

**5. Amendment of section 43.**—In section 43 of the Unit Trust Act, in sub-section (2),—

(i) in clause (n), the word “and” at the end shall be omitted;

(ii) after clause (n), the following clause shall be inserted, namely:—

“(nn) the extent to which and the circumstances under which trusts may be taken notice of.”

FAKHRUDDIN ALI AHMED,  
President.  
7-1-75.

K. K. SUNDARAM,  
Secretary to the Government of India.

Simla-2, the 15th September, 1975

No. LLR-E(9)7/75.—The following Acts recently passed by Parliament which have already been published in

the Gazette of India, Extraordinary, Part II, Section 1, are hereby republished in the Himachal Pradesh Government Rajpatra for the information of general public:—

1. The Salaries and Allowances of Members of Parliament (Amendment) Act, 1975 (48 of 1975).
2. The Cigarettes (Regulation of Production, Supply and Distribution) Act, 1975 (49 of 1975).
3. The National Cadet Corps (Amendment) Act, 1974 (50 of 1975).

M. C. PADAM,  
Under Secretary (Judicial).

*Assented to on 16th August, 1975.*

### THE SALARIES AND ALLOWANCES OF MEMBERS OF PARLIAMENT (AMENDMENT) ACT, 1975

(ACT NO. 48 OF 1975)

AN  
ACT

*further to amend the Salaries and Allowances of Members of Parliament Act, 1954.*

Enacted by Parliament in the Twenty-sixth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Salaries and Allowances of Members of Parliament (Amendment) Act, 1975.

2. *Amendment of section 8.*—In section 8 of the Salaries and Allowances of Members of Parliament Act, 1954 (30 of 1954), (hereinafter referred to as the principal Act), for the words “and postal facilities”, the words “postal, water, electricity, constituency and secretarial facilities, or such amount in cash in lieu of all or any of such facilities” shall be substituted.

3. *Amendment of section 9.*—In section 9 of the principal Act, in sub-section (3), for clause (f), the following clause shall be substituted, namely:—

“(f) medical, housing, telephone, postal, water, electricity, constituency and secretarial facilities mentioned in section 8 and the amount to be paid in cash in lieu of all or any of such facilities; and”.

*Assented to on 16th August, 1975.*

### THE CIGARETTES (REGULATION) OF PRODUCTION, SUPPLY AND DISTRIBUTION ACT, 1975

(ACT NO. 49 OF 1975)

AN  
ACT

*to provide for certain restrictions in relation to trade and commerce in, and production, supply and distribution of, cigarettes and for matters connected therewith or incidental thereto.*

Enacted by Parliament in the Twenty-sixth Year of the Republic of India as follows:—

1. *Short title, extent and commencement.*—(1) This Act may be called the Cigarettes (Regulation of Production,

Supply and Distribution) Act, 1975.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(a) “advertisement” includes any notice, circular and other document and also includes any visible representation made by means of any light, sound, smoke or gas;

(b) “cigarette” includes,—

(i) any roll of tobacco wrapped in paper or in any other substance not containing tobacco,

(ii) any roll of tobacco wrapped in any substance containing tobacco, which, by reason of its appearance, the type of tobacco used in the filler, or its packaging and labelling is likely to be offered to, or purchased by, consumers as cigarette,

but does not include beedi, cheroot and cigar;

(c) “distribution” includes distribution by way of samples, whether free or otherwise;

(d) “export” with its grammatical variations and cognate expressions, means taking out of India to a place outside India;

(e) “foreign language” means a language which is neither an Indian language nor the English language;

(f) “import”, with its grammatical variations and cognate expressions, means bringing into India from a place outside India;

(g) “Indian language” means a language specified in the Eighth Schedule to the Constitution, and includes any dialect of such language;

(h) “label” means any written, marked, stamped, printed or graphic matter, affixed to or appearing upon, any package;

(i) “package” includes a box, carton, tin or other container;

(j) “prescribed” means prescribed by rules made under this Act;

(k) “production”, with its grammatical variations and cognate expressions, includes—

(i) packing, labelling, re-labelling, of containers,

(ii) re-packing from bulk packages to retail packages, and

(iii) the adoption of any other method to render the product marketable;

(l) “sale” with its grammatical variations and cognate expressions, means any transfer of property in goods by one person to another, whether for cash or credit, or by way of exchange, and whether wholesale or retail,

and includes an agreement for sale, an offer for sale and exposure for sale;

- (m) "specified warning" means the following warning, namely, "Cigarette smoking is injurious to health".

3. *Restrictions on trade and commerce in, and production, supply and distribution of, cigarettes.*—No person shall, directly or indirectly, produce, supply or distribute cigarettes unless every package of cigarettes produced, supplied or distributed by him bears thereon, or on its label the specified warning.

(2) No person shall carry on trade or commerce in cigarettes unless every package of cigarettes distributed, sold or supplied by him bears thereon, or on its label, the specified warning.

(3) No person shall import cigarettes for distribution or supply for a valuable consideration or for sale unless every package of cigarettes so imported by him bears thereon, or on its label, the specified warning.

(4) The specified warning shall appear on not less than one of the largest panels of the package in which cigarettes have been packed for distribution, sale or supply for a valuable consideration.

4. *Manner in which specified warning shall be made.*—(1) The specified warning on a package of cigarette shall be—

- (a) legible and prominent;
- (b) conspicuous as to size and colour;
- (c) in such style or type of lettering as to be boldly and clearly presented in distinct contrast to the other type, lettering or graphic material used on the package or its label and shall be printed, painted or inscribed on the package in a colour which contrasts conspicuously with the background of the package or its label.

(2) Every package containing cigarettes shall be so packed as to ensure that the specified warning appearing thereon, or on its label, is, before the package is opened, visible to the consumer.

5. *Restrictions on advertisements of cigarettes.*—(1) No person shall advertise for the distribution, sale or supply of cigarettes, and no person shall take part in the publication of any such advertisement, unless the specified warning is included in such advertisement.

(2) Every specified warning included in an advertisement shall be conspicuous, legible and prominent.

(3) No person shall, whether directly or indirectly, import, for the purpose of carrying on any trade or commerce in cigarettes, any document, article or thing, containing any advertisement which violates the provisions contained in sub-section (1) or sub-section (2).

6. *Language in which the specified warning shall be expressed.*—(1) Where the language used on a package containing cigarettes or on its label or in any advertisement relating to such package is—

- (a) English, the specified warning shall be expressed

ed in the English language;

- (b) any Indian language or languages, the specified warning shall be expressed in such Indian language or languages.

- (c) both English and one or more Indian languages, the specified warning shall be expressed in English as well as in such Indian language or languages;

- (d) partly English and partly any Indian language or languages, the specified warning shall be expressed in the English language as well as in such Indian language or languages;

- (e) any foreign language, the specified warning shall be expressed in the English language;

- (f) partly any foreign language and partly English or any Indian language or languages, the specified warning shall be expressed in the English language as well as in such Indian language or languages.

(2) No package of cigarettes or its label or any advertisement relating thereto shall contain any matter or statement which is inconsistent with, or detracts from, the specified warning.

7. *Size of letters.*—No warning shall be deemed to be in accordance with the provisions of this Act if the height of each letter used in such warning is less than three millimetres.

8. *Power of entry and search.*—(1) Any police officer, not below the rank of a sub-inspector, may, if he has any reason to suspect that any provision of this Act has been, or is being, contravened, enter and search, at any reasonable time, any factory, building, business premises or any other place where any trade or commerce in cigarettes is carried on or cigarettes are produced, supplied or distributed.

(2) The provisions of the Code of Criminal Procedure, 1973 (2 of 1974), shall apply to every search and seizure made under this Act.

9. *Power to seize.*—(1) If any police officer, not below the rank of a sub-inspector, has any reason to believe that, in respect of any package of cigarettes, the provisions of this Act have been, or are being, contravened, he may seize such package.

(2) No package of cigarettes seized under sub-section (1) shall be retained by any police officer for a period exceeding ninety days from the date of the seizure unless the approval of the District Judge, within the local limits of whose jurisdiction such seizure has been made, has been obtained for such retention.

10. *Confiscation of packages.*—Any package of cigarettes, in respect of which any provision of this Act has been or is being contravened, shall be liable to confiscation:

Provided that, where it is established to the satisfaction of the court adjudging the confiscation that the person in whose possession, power or control any such package of cigarettes is found is not responsible for the contravention of the provisions of this Act, the

court may, instead of making an order for the confiscation of such package, make such other order authorised by this Act against the person guilty of the breach of the provisions of this Act as it may think fit.

**11. Power to give option to pay costs in lieu of confiscation.**—(1) Whenever any confiscation is authorised by this Act, the court adjudging it may, subject to such conditions as may be specified in the order adjudging the confiscation, give to the owner thereof an option to pay, in lieu of confiscation, such cost, not exceeding the value of the package in respect of which confiscation is authorised, as the court thinks fit.

(2) On payment of the costs ordered by the court, the seized packages shall be returned to the person from whom they were seized on condition that such person shall, before making any distribution, sale or supply of such packages, get the specified warning incorporated on each such package or on its label.

**12. Liability to penalty.**—Any person who carries on any trade or commerce in, or who produces, supplies or distributes, cigarettes, shall, if any package of such cigarettes does not contain the specified warning, be liable to pay a penalty not exceeding five times the value of the package of cigarettes or one thousand rupees, whichever is more, whether or not such package of cigarettes has been confiscated or is available for confiscation.

**13. Confiscation or penalty not to interfere with other punishments.**—No confiscation made, costs ordered to be paid or penalty imposed under this Act shall prevent the infliction of any punishment to which the person affected thereby is liable under the provisions of this Act or under any other law.

**14. Adjudication.**—Any confiscation may be adjudged, costs may be ordered to be paid or penalty may be imposed,—

(a) without any limit, by the principal civil court of original jurisdiction within the local limits of whose jurisdiction such confiscation has been made, costs have been ordered to be paid, or penalty has been imposed, as the case may be;

(b) subject to such limits as may be specified by the Central Government in this behalf, by such other court, not below a civil court having pecuniary jurisdiction exceeding rupees five thousand, as the Central Government may, by notification in the Official Gazette, authorise in this behalf.

**15. Giving of opportunity to the owner of seized packages.**—(1) No order adjudging confiscation or directing payment of costs or imposing penalty shall be made unless the owner of the package of cigarettes has been giving a notice in writing informing him of the ground on which it is proposed to confiscate such package, and given him a reasonable opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the confiscation or imposition of penalty mentioned therein, and, if he so desires, of being heard in the matter:

Provided that, where no such notice is given within a period of ninety days from the date of the seizure of the package of cigarettes, such package shall be returned, after the expiry of that period, to the person from whose possession it was seized.

(2) Save as otherwise provided in sub-section (1), the provisions of the Code of Civil Procedure, 1908 (5 of 1908) shall, as far as may be, apply to every proceeding referred to in sub-section (1).

**16. Appeal.**—(1) Any person, aggrieved by any decision of the court adjudging a confiscation, ordering the payment of costs or imposing a penalty, may prefer an appeal to the court to which an appeal lies from the decision of such court.

(2) The appellate court may, after giving to the appellant an opportunity of being heard, pass such order as it thinks fit confirming, modifying or reversing the decision or order appealed against or may send back the case with such directions as it may think fit for a fresh decision or adjudication, as the case may be, after taking additional evidence, if necessary:

Provided that an order enhancing any penalty or fine in lieu of confiscation or confiscating goods of greater value shall not be made under this section unless the appellant has had an opportunity of making a representation and, if he so desires, of being heard in his defence.

(3) No further appeal shall lie against the order of the court of appeal.

**17. Penalty.**—Any person who,—

(a) sells, or distributes or supplies in the course of any trade or commerce, any package of cigarettes which does not contain, either on the package or on its label, the specified warning.

(b) produces, or supplies or distributes in the course of any trade or commerce, any package of cigarettes which does not contain, either on the package or on its label, the specified warning,

(c) advertises, or takes part in the advertisement of, cigarettes if such advertisement does not include the specified warning,

shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to five thousand rupees, or with both.

**18. Offences by companies.**—(1) Where an offence under this Act has been committed by a company, every person, who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be proceeded against and

punished accordingly.

*Explanation.*—For the purposes of this section,—

- (a) “company” means any body corporate and includes a firm or other association of individuals; and
- (b) “director”, in relation to a firm, means a partner in the firm.

19. *Offences to be cognizable and bailable.*—(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), an offence punishable under this Act shall be bailable.

(2) For the avoidance of doubts, it is hereby declared that every offence punishable under this Act shall be cognizable.

20. *Protection of action taken in good faith.*—No suit, prosecution or other legal proceeding shall lie against the Central Government or any State Government or any officer of the Central Government or any State Government for anything which is in good faith done or intended to be done under this Act.

21. *Power to make rules.*—(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the manner in which the seizure of any package of cigarettes shall be made and the manner in which seizure list shall be prepared and delivered to the person from whose custody any package of cigarette has been seized;
- (b) procedure for the refund of any penalty imposed under this Act;
- (c) any other matter which is required to be, or may be, prescribed.

(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

22. *Act not to apply to cigarettes which are exported.*—Nothing contained in this Act shall apply to any cigarette or package of cigarettes which is exported:

Provided that nothing in this section shall be deemed to authorise the export of any package of cigarettes, not containing the specified warning, to any country

if the law in force in that country requires that the same or similar warning shall be specified on each package of cigarettes.

*Explanation.*—For the purposes of this section, any cigarette or package of cigarettes shall be deemed to be exported, if the necessary steps for export have already been taken notwithstanding that the actual export has not taken place.

Assented to on 16th August, 1975.

## THE NATIONAL CADET CORPS (AMENDMENT) ACT, 1975

(ACT No. 50 OF 1975)

AN

ACT

furth<sup>r</sup> to amend the National Cadet Corps Act, 1948.

BE it enacted by Parliament in the Twenty-sixth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the National Cadet Corps (Amendment) Act, 1975.

2. *Amendment of section 12.*—In section 12 of the National Cadet Corps Act, 1948 (31 of 1948), (hereinafter referred to as the principal Act),—

- (a) in sub-section (1), for clause (i), the following clause shall be substituted, namely:—  
“(i) three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States.”;
- (b) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) A member elected under clause (i) of sub-section (1) shall hold office for a period of one year from the date of his election or until he ceases to be a Member of the House which elected him, whichever is earlier.”.

3. *Amendment of section 13.*—In section 13 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.”.



Simla-2, the 4th February, 1975

No. LLR-E(9)2/74.—The following Ordinances promulgated by the President of India and published in the Gazette of India, Extraordinary, Part II, Section 1, are hereby republished in the Himachal Pradesh Government Rajpatra for the information of general public:—

1. The Press Council (Second Amendment) Ordinance, 1974 (No. 14 of 1974).
2. The Indian Tariff (Amendment) Ordinance, 1974 (No. 15 of 1974).

### THE PRESS COUNCIL (SECOND AMENDMENT) ORDINANCE, 1974

(No. 14 OF 1974)

Promulgated by the President in the Twenty-fifth Year of the Republic of India.

An Ordinance further to amend the Press Council Act, 1965.

Whereas a Bill further to amend the press Council Act, 1965 has been introduced in Parliament but has not yet been passed;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action to give effect to the provisions of the Bill;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. *Short title and commencement.*—(1) This Ordinance may be called the Press Council (Second Amendment) Ordinance, 1974.

(2) It shall come into force on the 30th day of December, 1974.

2. *Act 34 of 1965 to be temporarily amended.*—During the operation of this Ordinance, the Press Council Act, 1965 (hereinafter referred to as the principal Act) shall have effect subject to the amendment specified in section 3.

3. *Amendment of section 5.*—In section 5 of the principal Act, for sub-section (1A), the following sub-section shall be substituted, namely:—

“(1A) Notwithstanding the expiry of the period of office specified in sub-section (1), the Chairman and other members holding office as such on the 29th day of December, 1974 shall continue to hold such office until the appointed day:  
Provided that nothing in this sub-section shall apply to a member—

(a) who ceases to be a member before the appointed day, by reason of the provisions of sub-section (2); or

(b) whose term of office expires, before the appointed day, by reason of the provisions of sub-

section (3); or

(c) who is deemed to have vacated his seat before the appointed day, by reason of the provisions of sub-section (3A); or

(d) who is deemed to have vacated his office before the appointed day, by reason of the provisions of sub-section (4).

*Explanation.*—In this sub-section, “appointed day” means the 31st day of December, 1975, or, where the Central Government, by notification in the Official Gazette, appoints an earlier date, such earlier date.”

FAKHRUDDIN ALI AHMED,  
President.  
27-12-1974.

K. K. SUNDARAM,  
Secy. to the Govt. of India.

### THE INDIAN TARIFF (AMENDMENT) ORDINANCE, 1974

(No. 15 OF 1974)

Promulgated by the President in the Twenty-fifth Year of the Republic of India.

An Ordinance further to amend the Indian Tariff Act, 1934.

WHEREAS a Bill further to amend the Indian Tariff Act, 1934 has been introduced in Parliament but has not yet been passed;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action to give effect to the provisions of the Bill;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. *Short title and commencement.*—(1) This Ordinance may be called the Indian Tariff (Amendment) Ordinance, 1974.

(2) It shall come into force on the 1st day of January, 1975.

2. *Act 32 of 1934 to be temporarily amended.*—During the period of operation of this Ordinance, the Indian Tariff Act, 1934 (hereinafter referred to as the principal Act) shall have effect subject to the amendments specified in section 3.

3. *Amendment of First Schedule.*—In the First Schedule to the principal Act,—

(a) in Items Nos. 28(35), 28(38), 28(38A), 28(39), 28(40), 28(40A) and 28(41), in the last column headed “Duration of protective rates of duty”, for the figures “1974”, wherever they occur, the figures “1977” shall be substituted;

(b) in Item No. 28(38B),—



(i) in the third column headed "Nature of duty", for the word "Revenue", wherever it occurs, the word "Protective" shall be substituted;

in the last column headed "Duration of protective rates of duty", against (a) and (b), the word, figures and letters "December 31st, 1977" shall be inserted;

(c) for Item No. 28(40B), the following Items shall be substituted, namely:—

1	2	3	4	5	6	7
"28(40B)	The following dye-intermediates, namely,—					
	(1) 2 : 6 diamino-anthraquinone,					
	(2) O-nitro anisole,					
	(3) 1-chloro anthraquinone,					
	(4) Anthraquinone-1-sulphonic acid sodium salt—					
	(a) of British manufacture;	Revenue.	50 per cent	..	..	..
			<i>ad valorem.</i>			
	(b) not of British manufacture.	Revenue.	60 per cent	..	..	..
			<i>ad valorem.</i>			
28(40C)	The following dye-intermediates, namely,—					
	(1) 1-amino-anthraquinone,					
	(2) O-chloro aniline,					
	(3) P-chloro aniline,					
	(4) P-nitro anisole,					

1	2	3	4	5	6	7
	(5) 5-Chloro-o-toluidine,					
	(6) 1:4 diamino anthraquinone,					
	(7) Peri acid,					
	(8) 2:5 dimethyl-4-chlorophenyl thioglycolic acid,					
	(9) Aminol so G-acid—					
	(a) of British manufacture;	Protective.	50 per cent	..	..	December 31st, 1977,
			<i>ad valorem.</i>			
	(b) not of British manufacture.	Protective.	60 per cent	..	..	December 31st, 1977."
			<i>ad valorem.</i>			

(d) after Item No. 28(41), the following Item shall be inserted, namely:—

1	2	3	4	5	6	7
"28(42)	The following dye-intermediates, namely,—					
	(1) M-chloro-para-xylene,					
	(2) Ortho nitro-toluene,					
	(3) Ortho Tolidine,					
	(4) Para nitro-toluene—					
	(a) of British manufacture;	Protective.	50 per cent	..	..	December 31st, 1977,
			<i>ad valorem.</i>			
	(b) not of British manufacture.	Protective.	60 per cent	..	..	December 31st, 1977."
			<i>ad valorem.</i>			

(e) in Items Nos. 46(a), 46(b), 46(1), 47 and 48, in the last column headed "Duration of protective rates of duty", for the figures "1974", wherever they occur, the figures "1979" shall be substituted.

FAKHRUDDIN ALI AHMED,  
President.

K. K. SUNDARAM,  
Secy. to the Govt. of India.

# भाग 7-भारतीय निर्वाचन आयोग (Election Commission of India) की वैधानिक अधिसूचनाएं तथा अन्य निर्वाचन सम्बन्धी अधिसूचनाएं

शून्य

अनुपूरक

शून्य

## PART I

### CO-OPERATION DEPARTMENT

#### NOTIFICATION

*Simla-171002, the 27th October, 1975*

No. Coop-E (5) 1/75.—In exercise of the powers conferred under Section 100 of the Himachal Pradesh - Cooperative Societies Act, 1968 (Act No. 3 of 1969), the Governor, Himachal Pradesh is pleased to exempt the Una Sub-Division Co-op. Supply and Marketing Society Ltd. Una from the operation of that part of section 37 (1) (b) of the Act which prohibits extension of the tenure of the Administrator beyond two years and the Government is pleased to extend the term of office of the Administrator of the said Marketing Society for another year with effect from 16-8-75 to 15-8-76.

By order,  
M. S. MUKHERJEE,  
Secretary.

### INDUSTRIES DEPARTMENT

#### NOTIFICATION

*Simla-2, the 15th October, 1975*

No. 17-58/72-SI.—Whereas the Governor, Himachal Pradesh, is satisfied that land is required to be taken for public purpose, namely for construction of the office of the H. P. Mineral and Industrial Development Corporation Ltd., Simla, and at public expense of the said Company, it is hereby declared that the land described in the specification below is required for the above purpose.

2. This declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894, to all whom it may concern and under the provisions of section 7 of the said Act, the Land Acquisition Collector, Sub-

Divisional Officer (Civil), Simla district, Simla, H. P., is hereby directed to take orders for the acquisition of the said land.

3. And whereas the Government feels that the land in question, is urgently required for the said purpose, it is hereby directed under sub-section (1) of section 17 of the Land Acquisition Act, that the said Collector may on the expiry of fifteen days from the publication of the notice under section 9(1) of the said Act, take possession of the waste and arable land before the award is made.

4. A plan of the land may be inspected in the office of the Land Acquisition Collector (Sub-Division Officer, Civil), Simla district, Simla, Himachal Pradesh.

#### SPECIFICATION

District: SIMLA		Tehsil: SIMLA	
Village	Khasra No.	Sq. yd.	Sq. ft.
1	2	3	4
STATION	116/1	93	3
WARD CHHOTA	116/2	30	0
SIMLA,	116/3	13	0
SIMLA	116	995	3
TOWN			

Note.—The Governor has already accorded consent for the acquisition of the above land as required under section 39 of the Land Acquisition Act and the requisit agreement under section 41 of the Land Acquisition Act has also been executed between the Governor, Himachal Pradesh and the H. P. Mineral and Industrial Corporation Ltd., Simla.

ANANG PAL,  
Secretary.

## PART II

### INDUSTRIES DEPARTMENT

#### DECLARATION UNDER SECTION 24 OF THE ACT

*Simla, the 30th September, 1975.*

No. DIO/SML LAON-1970-71.—Whereas a notice was served on Shri Kamla Nand s/o Shri Kumb Dass, Village Jatwari, P.O. Kaloti, Tehsil Rohru, District Simla, Himachal Pradesh on 23-8-1975, under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Kamla Nand to pay to me the sum of Rs. 1,716 plus interest on or before 20-9-1975 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 4000 plus interest plus

penal interest is due from the said Shri Kamla Nand and the property described in the attached schedule is liable for the satisfaction of the said debt.

#### SCHEDULE

(1) One building consisting of three rooms situated at village Gowas and Land 20 Bighas comprising in Khatta No. 10, 11, 78, 79, 92 situated at village Gowas and Kayani belonging to Shri Durga Nand s/o Shri Farzi Ram, Village Gowas, Tehsil Rohru, District Simla, Himachal Pradesh.

(2) One building consisting of four rooms situated

at village Jatwari, Tehsil Rohru and land measuring 20 Bighas situated at village Jatwari, Tehsil Rohru belonging to Shri Hari Dass s/o Shri Gita Ram, Village Jatwari, Tehsil Rohru, District Simla, Himachal Pradesh.

**S. S. GHUMMAN,**  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

## DECLARATION UNDER SECTION 24 OF THE ACT

*Simla, the 30th September, 1975*

No. **DIO/SML/LOAN/1970-71.**—Whereas a notice was served on Shri Kamla Nand s/o Sabir Dass, r/o V. Gumna, P. O. Devidhar, Tehsil Rohru on 26-8-75 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Kamla Nand to pay to me the sum of Rs. 914 plus interest on or before 20-9-75 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 1,700 plus interest plus penal interest is due from the said Shri Kamla Nand and the property described in the attached schedule is liable for the satisfaction of the said debt.

### SCHEDULE

(1) House 3 storeyed consisting of 3 rooms situated at V. Gumna and land measuring 15 bighas 13 biswas at Village Gumna belonging to Shri Kamla Nand s/o Sabir Dass, P. O. Devidhar, Teh, Rohru (Himachal Pradesh).

(2) Land measuring 16 bighas and 1 building consisting of 3 rooms situated at V. Gumna, P. O. Devidhar, belonging to Shri Gopi Chand s/o Shri Kamla Nand.

Land measuring 17 bighas situated at village Gumna belonging to Shri Basu Dev s/o Shri Padmi Nand, V. Gumna, P. O. Devidhar, District Simla.

**S. S. GHUMMAN,**  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

## DECLARATION UNDER SECTION 24 OF THE ACT

*Simla, the 30th September, 1975*

No. **DIO/SML LOAN/1971-72.**—Whereas a notice was served on Shri Shobha Ram s/o Shri Ram Saran, village Dehna Tehsil Theog, District Simla, Himachal Pradesh on 27-8-75 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Sh. Shobha Ram to pay to me the sum of Rs. 2,128 plus interest on or before 20-9-75 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 5,000 plus interest plus penal interest is due from the said Shri Shobha Ram and the property described in the attached schedule is liable for the satisfaction of the said debt.

### SCHEDULE

1. Landed property measuring 2000 bighas 18 biswas at village Dehna Karyal and Phagu and three houses

double storeyed at Village Dehna Karyal and Phagu belonging to Shri Sobha Ram s/o Shri Ram Saran, P. O. Dhamandri, Tehsil Theog.

2. Land measuring 4 bighas 18 biswas consisting in Khasra No. 1130/208, belonging to Shrimati Kamla Devi d/o Shri Bala Ram, Village Dehna, P. O. Cheog, Tehsil Theog, District Simla.

3. Three Nos. double storeyed houses and land measuring 20 bighas 4 biswas comprising in Khasra No. 1151/260, 1546/234, 76, 77, situated at village Dehna Karyal and Talai belonging to Shri Baja Ram s/o Shri Daut, village Dehna, P. O. Cheog, Tehsil Theog, District Simla.

**S. S. GHUMMAAN,**  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

## DECLARATION UNDER SECTION 24 OF THE ACT

*Simla, the 30th September, 1975*

No. **DIO/SML LOAN/1971-72.**—Whereas a notice was served on Shri Salig Ram s/o Shamboo Ram, r/o Village Dehidhar, Tehsil Rohru, District Simla on 27-8-75 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Salig Ram to pay to me the sum of Rs. 1,428+interest on or before 20-9-75 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 3,000+interest+penal interest is due from the said Shri Salig Ram and the property described in the attached schedule is liable for the satisfaction of the said debt.

### SCHEDULE

(1) House 2 storeyed consisting of 4 rooms at village Devidhar belonging to Shri Salig Ram s/o Shambhoo, P. O. Devidhar, Tehsil Rohru, District Simla, Himachal Pradesh.

(2) On ehouse 2 storeyed consisting of 12 rooms at village Gangtoli belonging to Shri Lakha Ram s/o Shri Nand Ram, r/o village Cheuni, Tehsil Rohru.

(3) One house three storeyed consisting of 3 rooms at village Malta, P. O. Lower Koti belonging to Shri Karam Dass s/o Shri Ram Dhan, village Malta, P. O. Lower Koti, Tehsil Rohru.

**S. S. GHUMMAN,**  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

## DECLARATION UNDER SECTION 24 OF THE ACT

*Simla, the 30th September, 1975*

No. **DIO/SML LOAN/1965-66.**—Whereas a notice was served on Shri Bhagwan Dass s/o Shri Kehsav Ram Village Palzara, P. O. Bahli, Tehsil Ramour Bushahr,

District Simla, Himachal Pradesh on 14-11-1974 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Bhagwan Dass to pay to me sum of Rs. 1,250 + interest on or before 30-11-1974 and whereas the said sum has not been paid, I, hereby declare that the said sum of Rs. 1250 plus interest plus penal interest is due from the said Shri Bhagwan Dass and the property described in the attached schedule is liable for the satisfaction of the said debt.

#### SCHEDULE

Landed property comprised in Khasra No. 282 measuring 48 bighas 8 biswas situated in village Palzara according to Jamabandies for the year 1962-63 belonging to Shri Bhagwan Dass s/o Shri Keshav Ram, village Palzara, Tehsil Rampur Bushahr, District Simla, Himachal Pradesh.

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project,  
Simla district Simla.

#### DECLARATION UNDER SECTION 24 OF THE ACT

Simla, the 30th September, 1975

No. DIO/SML LOANS/1970-71.—Whereas a notice was served on Shri Laiq Ram s/o Sh. Kanshi Ram, village Andreothi, P. O. Bachhunchh, Teh. Rohru, District Simla (H. P.) on 23-8-75 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Sh. Laiq Ram to pay to me the sum of Rs. 1,143 + 1,150 on or before 20-9-75 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 5,714 + interest + penal interest is due from the said Shri Laiq Ram and the property described in the attached schedule is liable for the satisfaction of the said debt.

#### SCHEDULE

1. All assets of the borrower including book debts, premises and machinery whether existing or purchased with the amount of loan.
2. Property of the following two sureties:
  1. Shri Bal Krishan s/o Sh. Surat Ram, village Chehri, P. O. Arhal, Teh. Rohru.
  2. Sh. Janki Dass s/o Shri Dila Ram, village, P. O. and Teh. Rohru, District Simla (H. P.)

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

#### DECLARATION UNDER SECTION 24 OF THE ACT

Simla, the 30th September, 1975

No. DIO/SML LOAN/1963-64.—Whereas a notice was served on Shri Chet Ram s/o Shri Karam Singh, village Dhabech, P. O. Sarog, Tehsil Theog, District, Simla (H. P.) on 23-11-1965 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Shri Chet Ram to pay to me the sum of Rs. 1,600 with interest on or before 30-12-1965 and whereas the said sum has not been paid, I, hereby declare that the said sum of Rs. 1,600 + interest + penal interest is due from the said Shri Chet Ram and the property described in the attached schedule is liable for the satisfaction of the said debt.

#### SCHEDULE

1. House double storeyed consisting of three rooms standing on the land comprised in Khasra No. 38, village Dhabech, Teh. Theog, belonging to Shri Chet Ram s/o Shri Karam Singh, village Dhabech, P. O. Sarog, Tehsil Theog, District Simla, (H. P.).

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

#### DECLARATION UNDER SECTION 24 OF THE ACT

Simla, the 6th October, 1975

No. DIO. SML. Loan/66-67.—Whereas a notice was served on Sh. Trilok Chand s/o Sh. Bhandari Mal, village and P. O. Phagu, Tehsil Theog, District Simla (H. P.) on 15-9-75 under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971, calling upon said Sh. Trilok Chand to pay to me the sum of Rs. 13,000 + upto date interest on or before 30-9-75 and whereas the said sum has not been paid, I hereby declare that the said sum of Rs. 13,000 + interest + penal interest is due from the said Sh. Trilok Chand and the property described in the attached schedule is liable for the satisfaction of the said debt.

#### SCHEDULE

All assets of borrower including book debts, stock, shares, premises and machinery whether existing or purchased with the amount of loan.

S. S. GHUMMAN,  
Project Executive Officer,  
Rural Industries Project,  
Simla district, Simla.

#### PART V

बग़दालत श्री एम० सी० चौहान सब-रजिस्ट्रार साहिब, ठियोग, जिला शिमला, हि० प्र०

बमुकदमा जेर धारा 40/41 भारतीय रजिस्ट्रेशन ऐक्ट

रती राम बनाम ग्राम जनता

बनाम : ग्राम जनता

विषय उपरोक्त में ग्राम जनता को बजरिया इस्तहार हज़ा सूचित किया जाता है कि उपरोक्त सायल श्री रती राम पुत्र परस राम वासी टिकर, परगना शिली नाली, तहसील ठियोग, जिला शिमला ने एक वसीयत नामा तकमील करदा श्री हेत राम पुत्र राम दत्त, वासी भराना, परगना भराना, तहसील ठियोग, जिला शिमला बाद वफ़ात

श्री हेत राम अदालत हज़ा में बराये रजिस्ट्रेशन जेर धारा 40/41 भारतीय रजिस्ट्रेशन ऐक्ट पेश किया है। यदि किसी व्यक्ति को इस रजिस्ट्रेशन के बारे में ऐतराज हो तो वह तिथि 10-11-75 को बरख़्त 12 बजे दिन अदालत हज़ा में असालतन या वकालतन हाज़िर हो कर ऐतराज पेश करे बाद गुज़रने मियाद कोई ऐतराज समाप्त न होगा।

आज तिथि 6-10-75 हमारे हस्ताक्षर व मोहर अदालत से जारी किया गया।

मोहर।

एम० सी० चौहान,  
सब-रजिस्ट्रार, ठियोग।